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INTERNSHIP REPORT ON MCB BANK LIMITED



Specialization: Banking & Finance

Submitted to: Chairman

Department of Business Administration

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DEDICATION

I would like to dedicate this accomplishment offline to my beloved and caring parents and to my teachers with the support of whom I am standing at this step of my life stairs.



ACKNOWLEDGEMENT

In the name of ALLAH, the most kind and most merciful.

First of all I'm grateful to ALLAH ALMIGHTY, who bestowed me with health, abilities and guidance to complete the project in a successful manner, and without HIS help I was unable to perform this task.

More than anybody else, I would like to acknowledge my project advisor, Mr. Muhammad Azeem teacher of N.K.FACT for his never ending support and untiring efforts. He was always there to guide me whenever I felt stuck off and his encouragement always worked as morale booster for me. I have found him very helpful while discussing the tricky issues in this dissertation work.

I would also like to thank Mr. Aqeel Butt (Operations Manager of MCB) for providing me the opportunity to have an excellent learning experience during my internship. His critical comments on my work have certainly made me think of new ideas and techniques.



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EXECUTIVE SUMMARY

MCB is one of the leading banks of Pakistan incorporated in 1947 **MCB Bank** has made significant contributions in building and strengthening both corporate and retail banking sector in Pakistan.

This report is an upshot of my eight weeks internship in Muslim Commercial Bank of Pakistan. MCB of Pakistan possesses an imperative and historical importance in the banking sector of Pakistan. It always remains the center of hustles in business activities. It always endows with great covenant of rally round in terms of funds and services at all epochs of its dynamism.

The main purpose of internship is to learn, by working in practical environment and to apply the knowledge acquired, during the studies, in a real world scenario in order to tackle the problems. In this report the detailed analysis of the organization has been done and all the financial, technical, managerial and strategic aspects have been evaluated to analyze the current position of the organization. Along with it, the background analysis, the prevailing competition analysis, the business process analysis, and the internal environment and external environment of the organization have been discussed and the recommendations & suggestions for the improvement have been made wherever required. During my eight weeks internship program, I mainly worked with the following departments:

GENERAL BANKING, CREDIT and FOREX, These departments have been discussed in detail and all the policies and procedures have been described thoroughly.

This report will provide a complete and clear image about Muslim Commercial Bank.



OBJECTIVES

This internship offers me an incredible opportunity to gain real-world experience in the high-stakes finance industry. The primary objective of the project is to forecast or determine the actual financial status and performance of an organization

Following are important objectives of studying the organization:

- To learn about Capital Adequacy, Asset and Liability Management, Interest Rate Risk , Liquidity, Asset Quality & Profitability of bank.
- To monitor the adequacy and effectiveness of the internal control system and Financial Reporting Framework.
- Assessment of the company's financial condition through the financial statements.
- Analyzing savings and investment trends in banking sector.
- To describe the impact of financial decisions on the health and functioning of the overall organization.
- To examine the Innovations in customer service in banking.



1. OVERVIEW OF THE ORGANIZATION

1.1. BRIEF HISTORY OF THE ORGANIZATION

The history of MCB can be divided into four main Phases:

- Development Phase
- Nationalization Phase
- Privatization Phase
- Present Position of MCB

1.1.1 DEVELOPMENT PHASE

MCB Bank Limited was incorporated by the Adamjee Group on July 9, 1947, under the Indian Companies Act, VII of 1913 as a limited company. The bank was established with a view to provide banking facilities to the business community of the South Asia. After the partition of the Indo-Pak subcontinent, the bank moved to Dhaka (then the capital of former East Pakistan) from where it commenced business in August 1948. In 1956, the bank transferred its registered office to Karachi, Where the head office is presently located. Thus, the bank inherits a 64 years legacy of trust of its customers and the citizens of Pakistan. MCB Bank is not an overnight success story. It started with a share capital of Rs 30 million which is divided into 3 million ordinary shares of Rs 10 each.

1.1.2 NATIONALIZATION PHASE

The 1960s decade is stated as the golden era in Pakistan's economic and financial development. The banking sector also registered noticeable growth during that period and lent a strong helping hand to the government to achieve rapid economic growth of the country. But in early 1970s this scenario changed altogether. The separation of East Pakistan



(now Bangladesh) and induction of the government led by Zulfiqar Ali Bhutto were the most significant events of early 70s having far reaching effects on the banking system.

In the wake of rapidly changing conditions of the country, the government decided to nationalize all the commercial banks so that the nation as a whole can benefit from a better use of resources. Consequently, the Muslim Commercial Bank was nationalized under the Banks (Nationalization) Act, 1974 promulgated on January 1, 1974.

In the banking sector, the then government decided to retain only five major banks by merging all the smaller banks with the large ones. As a result of this policy, the Premier Bank was merged into Muslim Commercial Bank in 1974.

1.1.3 PRIVITIZATION PHASE

This was the first bank to be privatized in 1991 and the bank was purchased by a consortium of Pakistani corporate groups led by Nishat Group.

The banks after nationalization came under political and bureaucratic control and deviated from normal banking practices. Some of their senior executives were tempted to nurture a culture of obliging big businessmen, feudal and political influential. They sacrificed their personal integrity and interest of banking sector for gaining promotion and accumulating personal wealth. That is how banking sector started losing its upright and professional institutional image from mid-80s and its downward slide started which touched new low during 1990s.

The then PML government also became conscious of the falling standard of the banking sector and decided to privatize all the commercial banks. Banks (Nationalization) (Second Amendment) Ordinance 1991 was also promulgated to pave the way for privatization of banks in Pakistan.



In the wake of above amendments, 26% shares valuing Rs. 149.8 millions of the Muslim Commercial Bank, held by the State Bank of Pakistan were sold and the Bank's management was transferred to the purchasers of these 26% shares.

Mian Mohammad Mansha is the Chairman of the MCB and has played instrumental role in its success.

1.1.4 PRESENT POSITION OF MCB

MCB has significant contributions in building & strengthening both corporate and retail banking sector in Pakistan. MCB Bank Ltd in 2009 delivered a profit before tax of Rs. 23.2 Billion registering a growth of 6% over last year. This growth is directly attributable to an increase of 14% in CASA deposits, 21% in revenues and a tight control on expense base enabling to retain position as one of the most profitable banks in the country.

In 2009, MCB delivered a superior return on equity of 27.4% and assets crossed the Rs. 500 Billion mark. This performance is all the more remarkable keeping in view the economic & political challenges faced by the country during this past year and miscreant created issues that MCB specifically grappled with for a large part of the year. MCB fundamental belief is that a financial services company can only succeed if it meets its customers' needs. If they can understand customer's financial objectives and offer them the right products and services so that they can be financially successful, then MCB Bank will continue to build on its leadership position and provide requisite returns to its shareholders. During 2009, MCB took several initiatives that brought even closer to their customers. With the launch of MCB Privilege, MCB became the first local bank to offer a dedicated proposition for the affluent segment; to meet the growth and protection needs of customers, we introduced Bancassurance and Investment Products in many of our branches; to enhance transactional convenience for customers, MCB became the first Pakistani bank to launch mobile banking. These coupled with several other initiatives enabled us to continue on the path of growing customer base and profitability. Last year, to expand and reach customer proposition, MCB also reached an agreement with RBS Pakistan to acquire their business. Unfortunately, the



deal did not go through but bank continue to invest organically to further strengthen businesses.

1.1.5 AWARDS & ACHIEVEMENTS

2010 MMT Award: World's Best Mobile Money Transfer Bank

2009 Asiamoney: Best Domestic Bank in Pakistan

2009 The Asset: Best Domestic Bank in Pakistan

2008 Euromoney: Best Bank in Asia

2008 Euromoney: Best Bank in Pakistan

2008 Asiamoney: Best Domestic Bank in Pakistan

2006 Asiamoney: Best Domestic Bank in Pakistan

2006 Euromoney: Best Bank in Pakistan

2005 Asiamoney: Best Domestic Bank in Pakistan

2005 Euromoney: Best Bank in Pakistan

2004 Euromoney: Best Bank in Pakistan

2004 Asiamoney: Best Domestic Bank in Pakistan

2003 Euromoney: Best Bank in Pakistan

2001 Euromoney: Best Bank in Pakistan

2000 Euromoney: Best Bank in Pakistan



1.2 NATURE OF THE ORGANIZATION

MCB Bank Limited is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on all the stock exchanges in Pakistan whereas its Global Depository Receipts (GDRs) representing two ordinary shares are traded on the International Order Book (IOB) system of the London Stock Exchange.

MCB Bank Limited is a Pakistan-based company. The Bank operates in four business segments:

- Corporate finance
- Trading and sales
- Retail and consumer banking
- Commercial banking

1.2.1. CORPORATE FINANCE

Corporate finance includes underwriting, securitization, investment banking, syndications; initial public offerings (IPO) related activities (excluding investments) and secondary private placements.

1.2.2 TRADING & SALES

Trading & sales segment includes fixed income, equity, foreign exchange commodities, lending's to financial institutions and brokerage debt.

1.2.3 RETAIL & CONSUMER BANKING

Retail & consumer banking includes retail lending and deposits, banking services, private lending and deposits, banking services and retail offered to its retail customers and small and medium enterprises.



1.2.4. COMMERCIAL BANKING

Commercial banking segment includes project finance, export finance, trade finance, leasing, lending, guarantees and bills of exchange relating to its corporate customers.

MCB is one of the leading banks of Pakistan. Its deposit base of Rs. 368 Billion and total assets over Rs.500 Billion. MCB soon earned the reputation of a solid and conservative financial institution managed by expatriate executives. In 1974, MCB was nationalized along with all other private sector banks. The Bank has a customer base of approximately 4 million, a nationwide distribution network of over 1,000 branches and over 450 ATMs in the market

During the last fifteen years, the Bank has concentrated on growth through improving service quality, investment in technology and people, utilizing its extensive branch network, developing a large and stable deposit base



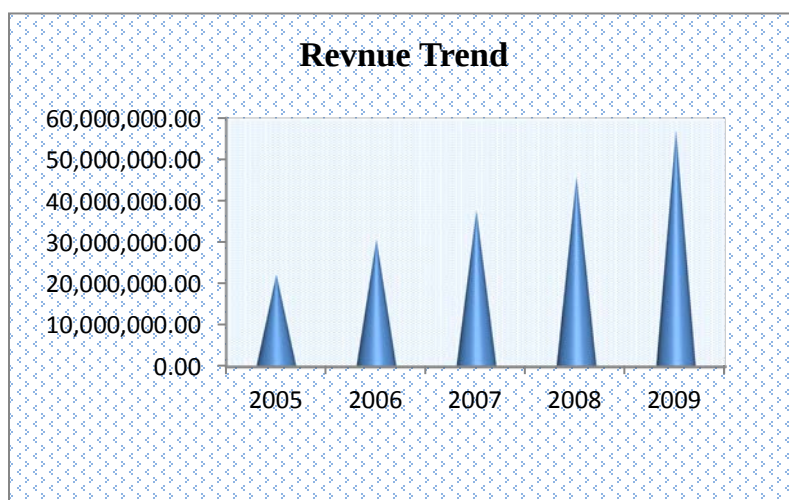


1.3. BUSINESS VOLUME

Business volume in terms of Deposit, Advances and Revenue investments for the last five year as under:

1.3.1 REVENUE

Particulars	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Mark-up / return / interest earned	51,616,007	40,043,824	31,786,595	25,778,061	17,756,232
Fee, commission and brokerage Income	3,331,856	2,953,394	2,634,610	2,311,235	2,448,950
Dividend	459,741	617,554	632,300	811,801	480,344
Income from dealing in foreign Currencies	341,402	727,564	693,408	692,010	531,455
Gain on sale of securities	773,768	740,429	1,500,865	605,865	851
Other income	736,118	855,697	567,213	570,505	1,084,576
Total Revenue	57,258,892	45,938,462	37,814,991	30,769,477	22,302,499



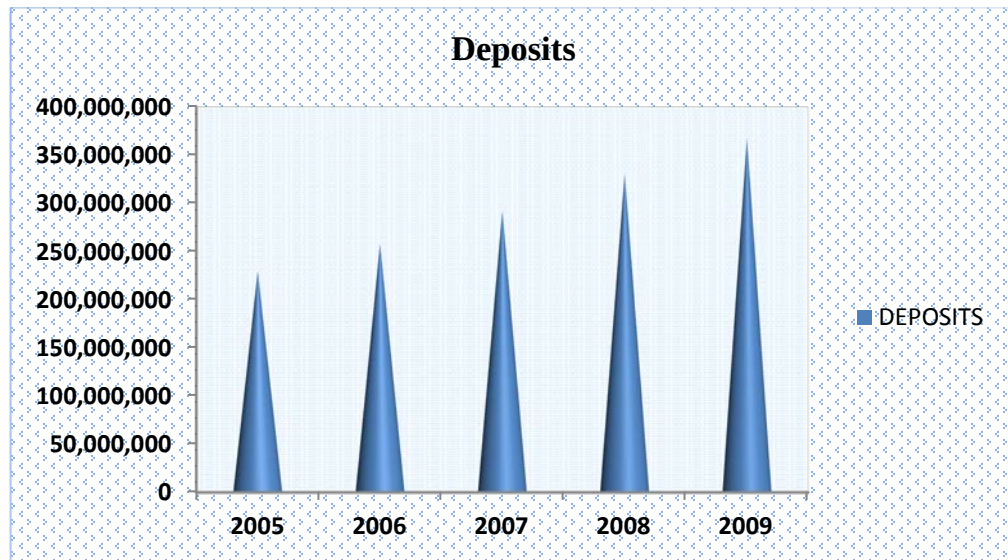


1.3.2 DEPOSITS

Particulars	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Customers					
Fixed deposits	626,515,531	61,680,332	32,202,230	33,297,203	13,293,121
Saving deposits	173,797,078	150,927,938	151,555,718	136,872,384	13,7067,311
Current Accounts Non-Remunerative	123,898,324	105,310,862	95,966,877	81,658,304	74,331,042
Margin Accounts	2,910,655	3,137,434	2,589,309	2,447,944	2,568,306
Total Customers Deposits	363,257,588	321,056,566	282,314,134	254,275,835	227,262,780
Financial Institutions					
Remunerative deposits	2,258,295	5,197,969	9,233,602	249,506	183,338
Non-remunerative deposits	2,088,061	3,926,526	546,042	2,932,161	1,857,664
Total Financial Institutions Deposits	4,346,356	9,124,495	9,779,644	3,181,667	2,041,002
Total Deposits	367,603,944	330,181,061	292,093,778	257,457,502	229,303,782



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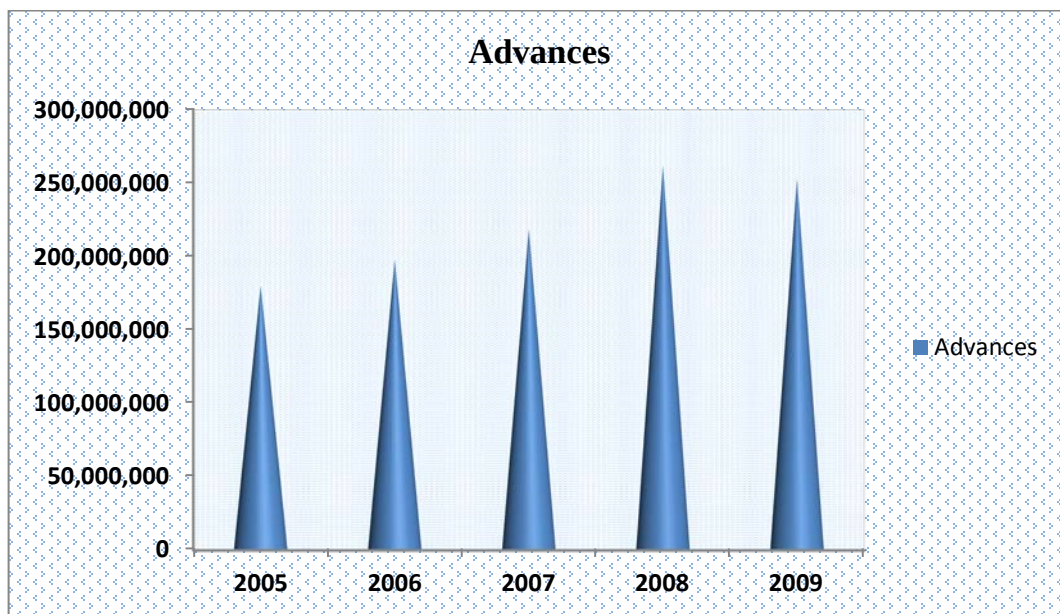




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1.3.3 ADVANCES

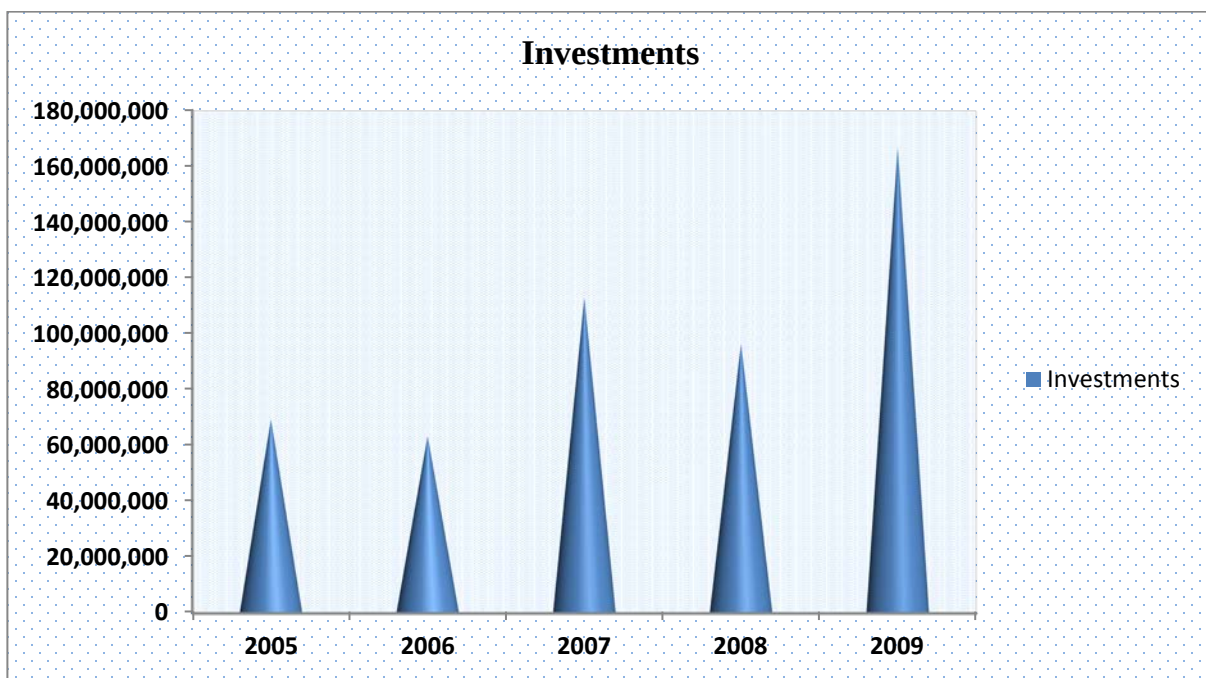
Particulars	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Total Advances	253,249,407	262,135,470	218,960,598	198,239,155	180,322,753





1.3.4 INVESTMENTS

Particulars	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Investment-net	167,134,465	96,631,874	113,089,261	63,486,316	69,481,487



Data Sources: Annual Reports of MCB



1.4 NUMBER OF EMPLOYEES

1.4.1 BOARD OF DIRECTORS

Mian Mohammad Mansha	Chairman
S. M. Muneer	Vice Chairman
Mr. Tariq Rafi	Director
MR. Shahzad Saleem	Director
Mr. Sarmad Amin	Director
Dr. Muhammad Yaqub	Director
Dato' Mohammed Hussein	Director
Mian Raza Mansha	Director
Aftab Ahmad Khan	Director
Mian Umer Mansha	Director
Mr. M. Ali Zeb	Director
Dato' Seri Ismail Shahudin	Director
Mr. M. U. A. Usmani	(President / CEO)

1.4.2 KEY MANAGEMENT

Audit Committee

Members

Tariq Rafi – Chairman
Dr. Muhammad Yaqub
Dato' Mohammed Hussein
Aftab Ahmad Khan
Muhammad Ali Zeb
Malik Abdul Waheed



Human Resource Committee

Members

Mian Mohammad Mansha Chairman
Dr. Muhammad Yaqub
Mian Raza Mansha
MR. Shahzad Saleem
Mr. M.U.A. Usmani

Risk Management and Portfolio Review Committee

Members

Mian Umer Mansha Chairman
Mr. Tariq Rafi
Mr. Sarmad Amin
Mian Raza Mansha
Mr. Shahzad Saleem

Business Strategy and Development Committee

Members

Mian Mohammad Mansha Chairman
Mian Raza Mansha
S. M. Muneer
Mian Umer Mansha
Dr. Muhammad Yaqub
Mr. M.U.A. Umani
Dato' Mohammed Hussein



Committee on Physical Planning, IT Systems and Contingency Arrangements

Members

Mr. Sarmad Amin Chairman

Mian Raza Mansha

Mr. Tariq Rafi

S. M. Muneer

Mr. M.U.A. Umani

SBP Report Compliance Monitoring Committee

Members

Dr. Muhammad Yaqub

Mr. Aftab Ahmad Khan

Mr. M.U.A. Umani

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Mr. Abdus S. Sami

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Legal Advisors

Khalid Anwer & Co.

Advocates & Legal Consultants

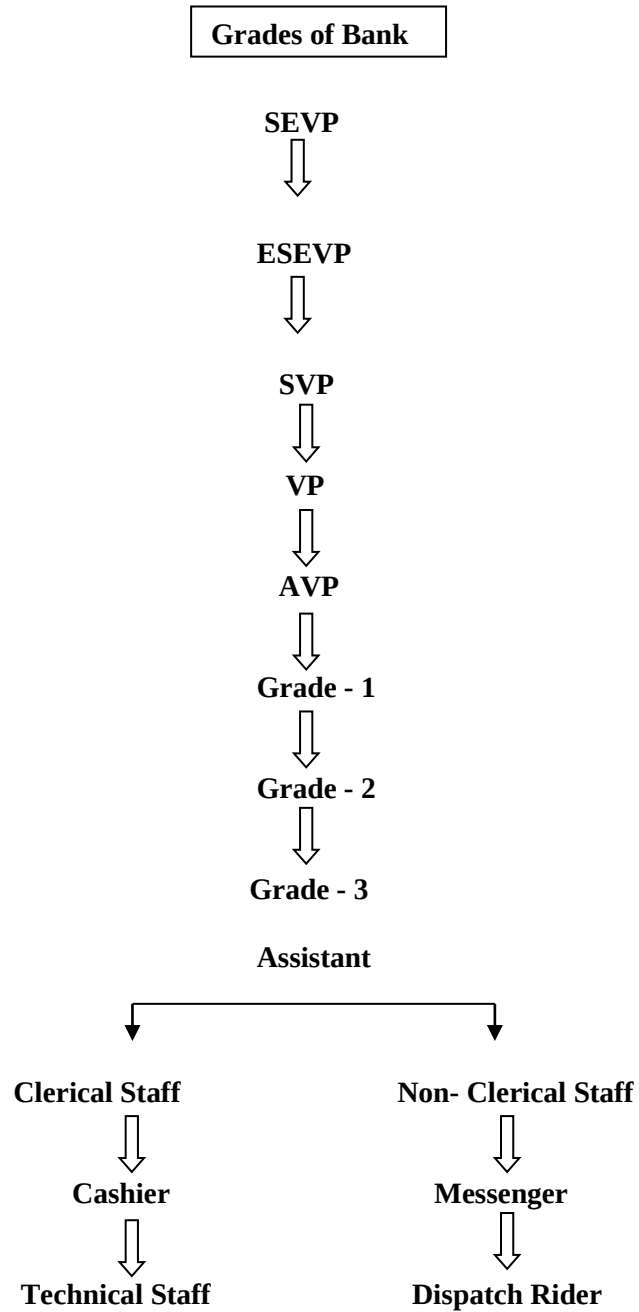


1.4.3 STAFF STRENGTH

	2009	2008	2007	2006
Number of Permanent Employee	9397	10160	9721	9011



1.4.4 HIERARCHY OF MANAGEMENT





1.5 PRODUCT & SERVICES

1.5.1 MCB CORPORATE FINANCING

MCB Corporate Financing provides access to diversified financing options, including working capital loans, term loans, trade finance services and investment banking.

● Working Capital Loans

Based on the customer's specific needs, the Corporate Bank offers a number of different working capital financing facilities including Running Finance, Cash Finance, Export Refinance, Pre-shipment and Post- shipment etc. Tailor- made solutions are developed keeping in view the unique requirements of your business.

● Term Loans

MCB offers Short to Medium Term Finance to meet capital expenditure and short term working capital requirements of our customers. The loans are structured on the basis of underlying project characteristics and cash flows of the business.

● Trade Finance Services

Under Corporate Banking MCB offers trade finance services that include an entire range of import and export activities including issuing Letters of Credit (L/Cs), purchasing export documents, providing guarantees and other support services.

● Cash Management

Cash Management provides a wide range of value added services to large corporations through its vast network of online branches. Our structured and customized products enable our customers to realize their sales proceeds swiftly from all over the country, supported by real-time MIS.



● Transaction Banking Division

Transaction Banking provides wide range of value added services to large corporations through its vast network of real-time online branches network. Our structured and customized products enable our customers to realize their sales proceeds swiftly from all over the country, supported by real-time MIS.

The basic products offered by Transaction Banking Division are as under:

- Collections
- Payments
- Channel Financing
- Local Rupee Drawing Arrangement
- Home Remittances

1.5.2 MCB RETAIL BANKING

1.5.2.1 DEPOSIT ACCOUNTS

● Current Account

MCB Bank offers a variety of current accounts to cater to the everyday transactional needs of various customers. These accounts ensure ease and freedom to bank from any of the 1,100 branches across the country. The different accounts include: the basic account that has no minimum balance; Business Account offering free online transactions, Demand Drafts, Pay Orders and lots more to meet the day to day business requirements; Current Life Account which offers the security of life insurance free of cost; and for all the others the conventional Current Account.



● **Savings Account**

It offers a wide array of savings products that suit short term growth & transactional needs. Our savings accounts offer attractive profit rates as well as flexibility to transact. Savings Xtra is targeted for customers having Rs. 5 million deposit, 365 Gold offers profit rate on daily balance while PLS savings has a lower minimum balance requirement. In addition, a unique product: Smart Savings is an account run solely via a debit card, offering a very competitive rate to small savers.

● **Foreign Currency Account**

Enjoy the confidence of operating an international account, locally. MCB Foreign Currency Account offers the option of earning attractive returns on your Foreign Currency Investment.

● **Saving 365 Gold**

MCB Savings 365 Gold Account offers you a wide range of attractive profit rates. The MCB Saving 365 calculates profits on a daily product basis and gives you the facility of unlimited withdrawals.

● **Smart Dollar Account**

MCB Smart Dollar Account is a sensible way to maintain or grow your US Dollar deposit across USD Current, Savings or Term Deposits.

● **Special Term Deposits**

With a wide range of choices and tenors, you can open one or more term deposit accounts that best suit your current or long term needs. MCB Term Deposits offer attractive short to mid-term investment options with flexibility, convenience and security. With various tenor



options available customers can choose one that suits their needs. This is combined with different profit payout options and the added facility of being able to avail credit facility against their deposits.

● **Business Accounts**

MCB Business Account lets you build your business through the accrued savings from discounted transaction fees, and more

● **Saving Xtra Account**

MCB Savings Xtra Account offers you a wide range of attractive profit rates. Grow with MCB Xtra by saving more and earning greater profit.

● **Current Life Account**

The coverage you need for the life you lead. MCB Current Life gives you the peace of mind of comprehensive life insurance in a current account and fits right into your lifestyle

● **Mahana Khushali Bachat**

MCB Monthly Khushali Scheme provides you with a steady income every month. Just purchase a Monthly Khushali Certificate and you will enjoy a steady income of your total deposit every month. Terms deposit.



1.5.2.2 MCB BANCASSURANCE

Combining the best of banking and insurance solutions, MCB Bancassurance has created a one-stop shop for all your financial and insurance needs. Whether you want to save for your child's education or marriage, for the security of dignity after retirement or gaining maximum return on savings, MCB Bancassurance has a plan just for you.

- FlexiLife
- LifePartner
- EduCare
- DreamWedding
- CapitalSure
- RetireEasy
- IncomeMax
- FutureAssure
- ProtectionPlan

1.5.2.3 MCB'S REMITTANCE

Fast, secure and easy-to-use, MCB's Remittance Services is an efficient way to transfer money overseas. You can remit funds from any country to Pakistan through Swift System.

MCB Home Remittance provides a seamless inflow of foreign remittances credited in the beneficiary's account within minutes. Cash payments can also be made at our designated branches on behalf of Xpress money, Samba (Speed cash now) and MoneyGram, along with cash payments from other correspondents all over the world.



1.5.2.4 MCB LOAN PRODUCTS

● Car4U

MCB Car4U not only gets a car of your own choice but is also affordable with competitive mark-up, flexible conditions, easy processing and above all, no hidden costs.

● Business Sarmaya

Good cash flow is the key to any successful business. MCB Business Sarmaya offers running finance facility against your house/ flat, insuring a steady cash flow for your business.

● Pyara Ghar

MCB Pyara Ghar is an ideal Home Finance from your own bank that lets you Purchase, Renovate or Construct your home the way you have always wanted. Having your own home was never so easy

● Easy Personal Loan

MCB Easy Personal Loan provides you with the financial advantage to do things you've always wanted to but never had the sufficient funds for. Take that much-needed holiday. Buy a car. Refurnish your house. Purchase a new TV. Finance a better education for your children.

● Instant Finance

With MCB instant Finance get a loan instantly at any MCB branch against liquid collateral at competitive pricing.



1.5.2.5 MCB RUPEE TRAVELERS CHEQUE

It is a safe and secure way to make payments nationwide. MCB Rupee Travelers Cheque, being the market leader, is the most widely accepted way to pay cash for travel-related purposes. MCB Rupee Traveler's Cheques were first introduced in 1993 as safe cash for traveling and travel related purposes.

1.5.2.6 MCB ONLINE SERVICES

● ATMs

MCB has one of the nation's largest ATM networks with over 450 ATMs and still growing. MCB ATMs give you 24-hours convenience of cash withdrawal, mini-statement, utility bill payment, funds transfer services and much more. With MCB Mobile ATM not only do we provide you with world class banking service but we also provide convenience. Our innovative mobile ATMs ensure that you are given service close to you.

● Call Center

The state of the art MCB call center is the right choice to keep you in step with your ever hectic schedule by providing you services relating to your account and Smart card at any point in time.

There's no easier way to bank than the new enhanced 24/7 MCB Call Center, which blends innovation and convenience to provide Banking Services that go beyond expectations. With MCB Call Centre you can maintain your VISA credit & ATM/Debit cards, check your account balances, confirm last 5 transactions, pay utility & mobile phone bills, top-up your mobile, pay MCB Visa Credit Card bill from your MCB account, transfer money within your own accounts in MCB and register complaint.



● **Mobile Banking**

At the forefront of technological excellence, MCB proudly introduces MCB MOBILE BANKING. MCB Mobile is a quick easy and secure way to recharge mobile phones, transfer money, pay bills and do much more.

No need to visit a branch or an ATM anymore, login to www.mcbmobile.com using your mobile phone and start transacting.

● **Bill Payments**

MCB easy bill pay offers unmatched convenience to pay your utility and mobile phone bills or re-charge your prepaid mobile phone accounts anywhere, anytime with security and peace of mind. MCB is the only bank that offers you 3 convenient options of making bill payments to PTCL, SSGC, SNGPL, KESC, Mobilink, Supernet, IESCO, HESCO, and Ufone. So, save your precious time by avoiding long queues and pay your bills through MCB Easy Bill Pay.

● **Online Banking**

MCB has a fast growing network of over 1,100 online branches in the country providing customers real time online transaction facilities.

1.5.2.7 MCB CARDS

● **Smart Card**

MCB Smart Card is the key that enables access to convenient banking services. Smart Card allows you to manage your account, withdraw cash, transfer funds, pay utility and mobile bills, recharge prepaid connections, register for mobile and internet banking services and much more. The convenience and flexibility of MCB **SmartCard** will help you live a



smarter life. It not only helps you manage your expenses, but also eliminates undue interest on your day to day credit card transactions. Your balance is always within your reach and you spend accordingly.

MCB now brings MCB **SmartCard** -a secure and convenient instrument of payment with unmatched functionalities. It provides 24-hour direct access to your bank account.

● Debit Card

Now MCB brings a secure, convenient and quick payment facility that enables you to do purchasing by using your existing MCB ATM / MCB Smart Card as a DEBIT CARD.

● Visa Credit Card

MCB offers a complete suite of Classic, Gold and Platinum Visa Credit Cards focusing on providing, superior service, travel privileges & shopping pleasure. It also offers comprehensive insurance & installment plans, reward points and SMS alerts that give a different feel to the world of Credit Cards. These unique features include i-revolve, which makes variable mark-up rate available to customers allowing them to repay at affordable rates.

1.5.3 MCB INVESTMENT BANKING

Make the most of your wealth with investment opportunities that match your unique financial aspirations. MCB Investment Services offer distribution of mutual funds managed by the leading fund managers of Pakistan. We can suggest the products most suited for your needs, or work with you to create a personalized solution completely focused on your expectations of the capital markets

MCB goal is to provide best financial solutions to client helping them achieving their objectives and support economic growth of the Country.



The basic services offered by investment banking are as under:

● **Project & Structured Finance**

Involves financing complex projects, usually in an SPV structure, where the loan is tightly structured around the cash flows, risks are allocated amongst various stakeholders, and there is limited or no recourse to the sponsors.

● **Syndicated Loans and Debt Capital Markets**

It involves structuring/advisory arrangement, underwriting and placement services for significant financing requirements by large corporate and institutional clients to other financial institutions or through the debt capital markets.

● **Quasi Equity/Hybrid Instruments**

It structures and places a category of debt that has some characteristics of equity such as being unsecured, subordinated or with a potential equity upside.

● **Equity Capital Raising**

Equity Services relate to raising capital for clients by offering common or preferred equity to public or private investors, through initial public offers, offers for sale, rights issues and private equity placements.

● **Advisory Services**

Financial and Capital Raising Advisory provides clients with financial advisory services, commercial structuring support and access to capital resources to help companies successfully finance their business/project.



● **Facility Administration**

Management of creditor interests in syndicated transactions in capacities such as facility agent, security trustee, project monitoring bank, book-runner etc.

● **Commercial Banking**

Complementary products and services such as revolving lines of credit, trade services and cash management that may be bundled with our Investment Banking Products.

1.5.4 MCB AGRICULTURE PRODUCTS

MCB has been providing finance to the agriculture sector since 1973. With the help of our vast branch network, specialized staff posted in the branches, multiple and diversified product range, we cater to the financing requirements of the farming community spread throughout the country and facilitate in achieving increased productivity.

● **Shadabi Plan**

Shadabi Plan caters the financing needs for production activities on the farm which mainly include seed, pesticides and fertilizers along with provisions for miscellaneous expenses like payment of electricity & diesel bills of tubewells, maintenance expenses for tractors and the like items as per list of Eligible items.

● **Khushali Scheme**

Under Khushali Scheme loans/finances are allowed for farm/ non-farm credits which include fixed investments/working capital requirements. Amount of finances sanctioned depend upon the credit requirement and collateral.



Financing for land leveling/development, heavy equipments, agriculture machinery, vehicles/transport for agri purpose are covered under this scheme. There may be other development projects proposed by the farmers falling within the ambit of agri financing, which can be considered under this scheme.

● **Tractor Finance Scheme**

To boost up the mechanized farming in the country, Tractor Finance Scheme is introduced to offer specialized services to farmers. Under this scheme, there is no requirement of minimum land holding because of multipurpose use of tractor for agriculture cum commercial. However, the repayment capacity and potential use of tractor will be evaluated at the time of loan processing

● **Aabiari Scheme**

Under the Aabiari scheme, financing facilities for tube well, other wells, irrigation systems of all types including sprinklers are covered. The purpose is to facilitate the farmers in overcoming the shortage of water for cultivation/plantation since water is essential requirement for crops.

● **Grower Finance**

Grower Finance is a unique way of financing registered/(bonafide) growers/farmers of sugarcane, cotton and rice(mills). The special characteristic is that the financing facilities are extended to farmers against the Mill/Factory guarantee. Fixed/floating charge may be created on the Mill's assets and the loan is disbursed directly to the growers. This finance is short term in nature but the tenure may extend to eighteen months in case of growers of sugarcane.



● Dairy & Meat Plan

The plan is aimed at promoting the Dairy sector & meat production in the country. The farmers are extended financing facilities to purchase dairy animals for milk and for the establishment of animal fattening stations to increase meat production on commercial line, thus enabling the farmer to create more income.

● Murghbani Scheme

Murghbani Scheme covers extensively all requirements of the poultry industry with focus on facilitating the farmers. We offer financing facilities of all types of activities in the value chain starting from establishment of poultry farms infrastructure to all requirements in the process till the final out put including marketing of the same by the farmers. Value addition process by the farmers for poultry processing is also covered under the scheme.

● Baghbani

The scheme aims at facilitating the farmers engaged in horticulture by extending credit facilities covering the entire range of related activities. The proposals are assessed keeping in view the market potential and repayment capacity based on the cash flows of the activity. The farmers are extended all type of credit facilities required to produce fruits & vegetables of better quality. The repayment of the loan is as per farmer convenience or linked to crop cycle and timings of cash flows. Facilities like running finance, working capital requirements, infrastructure development, machinery & equipment, irrigation etc are all covered under this scheme. Progressive farmers are specially encouraged

● Mahigeri Scheme

Mahigeri Scheme caters to the credit needs of fish farmers covering entire range of activities including marketing of their produce. The loans are of short, medium and long term



depending upon the purpose. Financing for value addition process by the fish farmers is also covered under the scheme.

1.5.5. VIRTUAL BANKING

MCB provides the convenience of banking via internet, whether at home, office or on travel, log on to www.mcb.com.pk and enjoy 24 hour access to all your accounts at MCB for great number of services such as Funds Transfer, Utility Bill Payments, Mobile Top-ups and much more.

- ✓ Detailed Account Summary of all listed accounts.
- ✓ Mini-statements of each of the listed accounts showing recent transaction history for that account(s).
- ✓ Statement-by-Period of each of the listed accounts, based on the period specified.
- ✓ Immediate or Scheduled Transfer of Funds between your own accounts, as well as to third-party accounts setup as beneficiaries, maintaining accounts with MCB.
- ✓ Scheduling of 'One-Time' as well as 'Recurring' Funds Transfers.
- ✓ Payment of utility bills for registered Utility Companies.
- ✓ Immediate or Scheduled Bills Payment. Scheduling of 'One-Time' as well as 'Recurring' bill payments. Option for 'Full' or 'Partial' payment based on the payment conditions specified by a particular Utility Company.
- ✓ Bulk Salary Transfer for Corporate Customers, to facilitate them in paying salary to the corporate employees, who maintain accounts with MCB.
- ✓ Bulk Funds Transfer for Corporate Customers.
- ✓ Cheque Book Request for any of your listed accounts.
- ✓ Payment/Transfer Alerts for reminding, in advance, prior to the processing of specified payments and transfers.



- ✓ Personal Alerts for reminding of pre-specified events and occasions.

1.5.6 ISLAMIC BANKING

With the help of Shariah specialists, lawyers and professional commercial bankers, MCB Islamic Banking provides Riba Free and Shariah Compliant solutions to various customer segments in a growing number of cities.

● Deposit Schemes

For customers who are looking for a deposit opportunity where they can purse their funds and reap halal returns on it, MCB offer the following products:

Al-Makhraj Saving Account

Al-Makhraj Ijarah Account

Al-Makhraj Term Deposit

● Fund Based Facilities

MCB offers 3 broad Islamic fund based facilities:

Ijarah

Murabahah

Diminishing Musharika Equipment

● Ijarah Products

MCB's Islamic Ijarah, analogous to the English term 'leasing', is based on the 'Ijarah wa Iqtina' concept which means the sale of the asset to the lessee after the Ijarah has matured. Under this scheme, MCB will be the owner of the asset, and the customer (lessee) will be given the asset to use for a certain period of time in return for monthly rental payments.



MCB will give a separate unilateral undertaking that it will offer to sell the asset to the customer (lessee) at the maturity of the Ijarah agreement at a price that may be equal to the security deposit amount, hence the term 'Wa Iqtina'

Types of Ijarah

Car Ijarah

Equipment Ijarah

● Murabahah

It is a contract between a buyer and a seller under which the latter first purchases the goods at the request of the former i.e., customer and then sells it to same customer after adding profit.

$$\text{Murabah Sale Price} = \text{Cost} + \text{Expenses incurred} + \text{Agreed Profit}$$

● Musharika Equipment

It is a contract through which the bank and its client participate in the joint ownership of a property. The share of the Bank is further divided into a number of units and it is agreed that the client will purchase the bank's share periodically, thus increasing his own share until all the units of the bank are purchased by him so as to make the client the sole owner of the property.



1.5.7 PRIVILEGE BANKING

A first from a local bank, MCB Privilege through its dedicated, world class Privilege Centers offers a higher level of personalized services, more rewarding in-branch experiences and a wide array of deposit and investment products that are tailored to meet the financial expectations for affluent clientele. As members of MCB Privilege, customers experience unparalleled advantages that put them ahead of others. MCB's dedicated Privilege Centers wait to welcome you in Karachi, Lahore, Islamabad and Multan, with plans to expand to more locations.

1.5.8 OTHER SERVICES

● MCB MNET

MNET is an electronic inter-bank connectivity platform for online transactions on ATM and other remote banking channels. It offers other Value Added Services that include a portfolio of e-banking and payment system products as well as management and day-to-day operations of the same. Members include 10 local and foreign financial institutions enjoying ATM sharing and Value Added Services.

● MCB Salary Club

A payroll solution designed to make life easy; it simplifies all the monthly payroll related banking needs of employers and opens the door to a world of special offers for employees. Salary Club provides the convenience of having an extensive range of financial services available to employees at their place of work.

● MCB Lockers

MCB Lockers are the best protection for your valuables. Lockers of different capacities are available nationwide.



● **MCB SMS Banking**

Banking at your fingertips SMS anytime to get information regarding balance, mini statements and credit card related information once your card is linked.

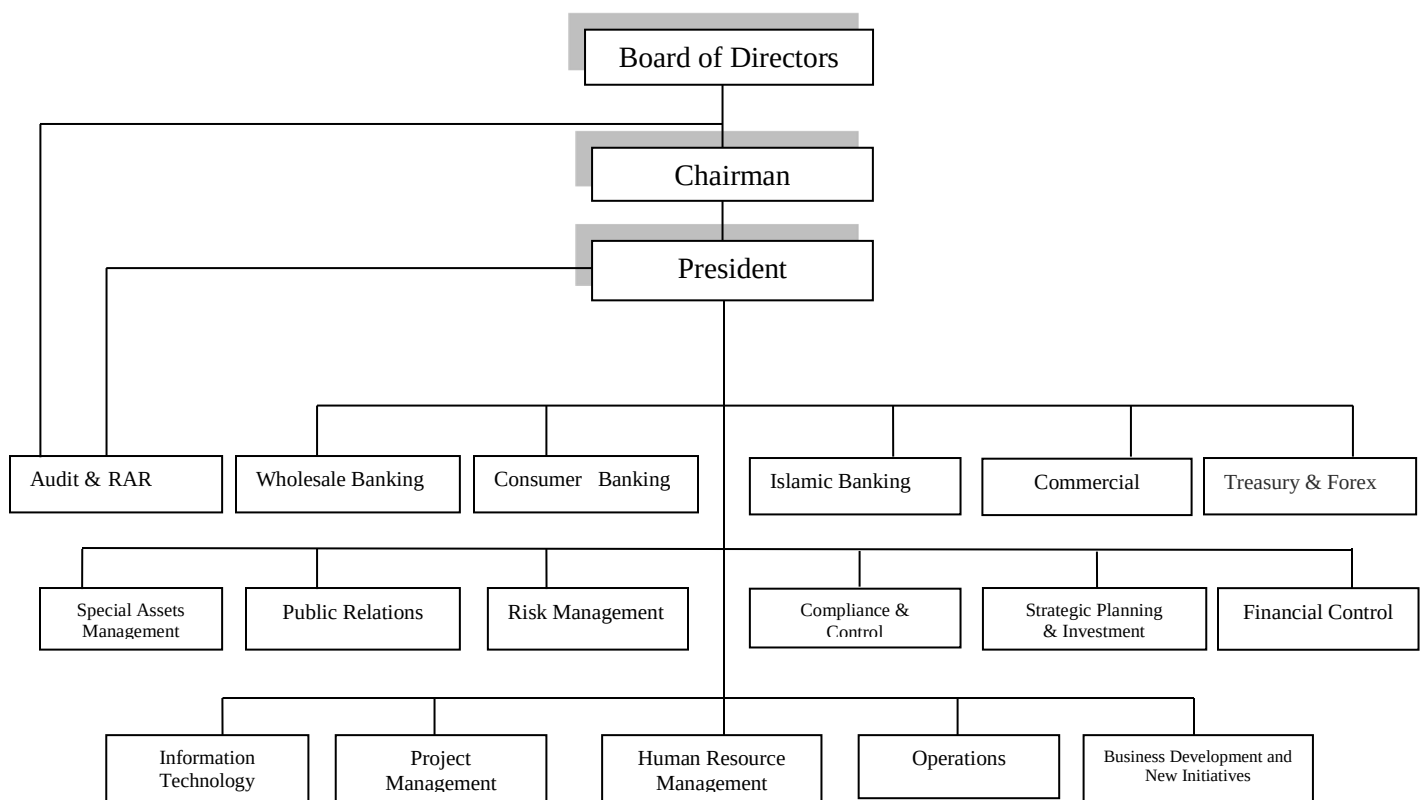
● **MCB Full Day Banking**

Enjoy the convenience of extended banking hours from 9am to 5pm, including Saturdays at MCB FULL Day Banking branches across the country.



2. ORGANIZATIONAL STRUCTURE

2.1 ORGANIZATIONAL CHART





2.1.1 MEDIOCRE LEVEL MANGEMENT

The organization chart within a department and in different offices as follows:

Divisional Heads Head Office
Regional Head (EVP) Regional Office
Zonal Head (VP) Zonal Office
Branch Manager Branch (VP, AVP, GRADE 1, 2, 3)

2.1.2 MAIN OFFICES

Registered Office

MCB Building, F-6/G-6, Jinnah Avenue, Islamabad.

Principal Office

MCB 15 Main Gulberg, Lahore.

UAN: (042) 111-000-111

PABX: (042) 36041998-9

Website: www.mcb.com.pk

Email: info@mcb.com.pk

Shares Registrar

M/s. THK Associates (Pvt.) Ltd., State Life Building No.3,

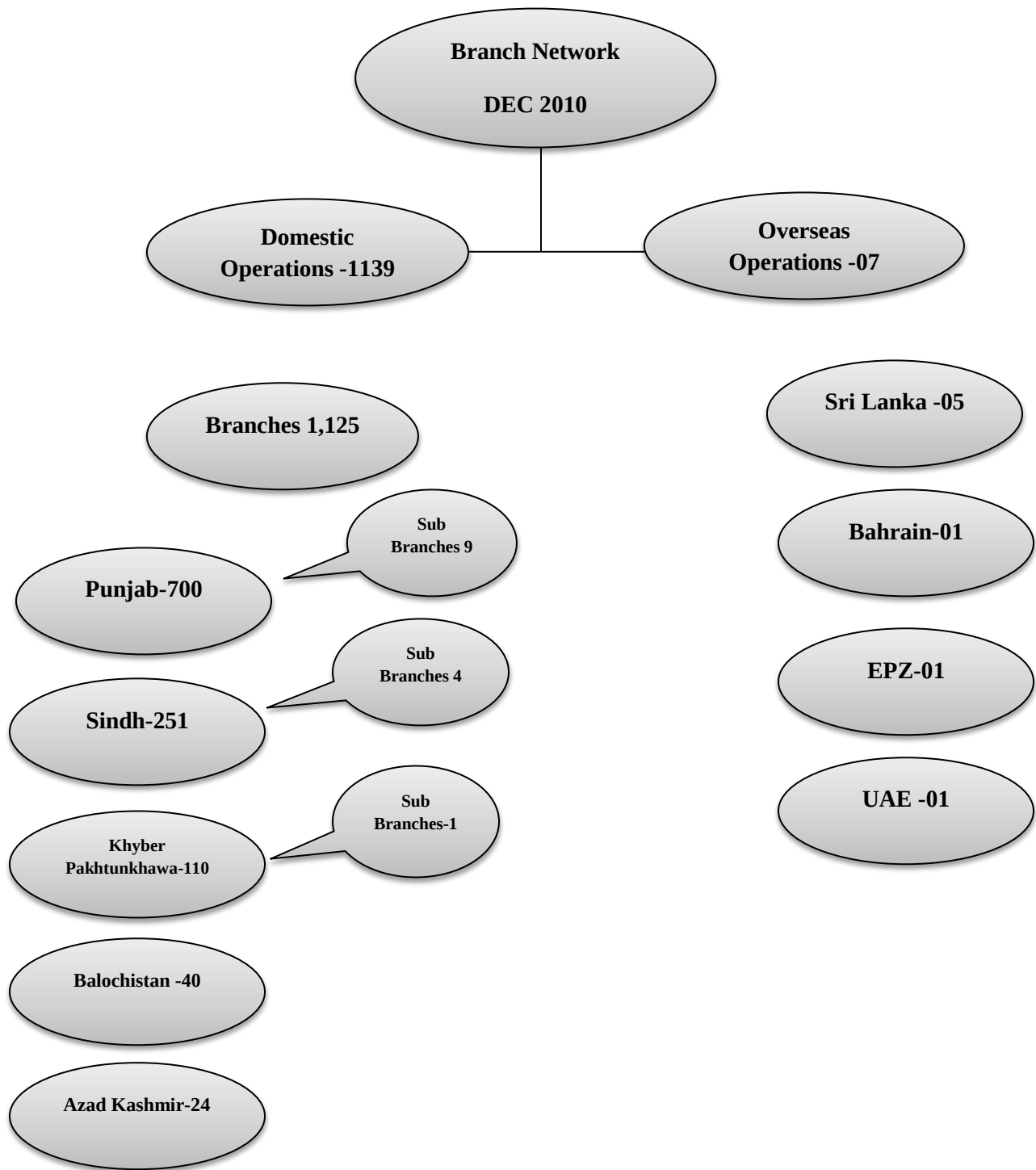
Dr. Ziauddin Ahmed Road, Karachi

Corporate Office

MCB House, Jail Road, Lahore



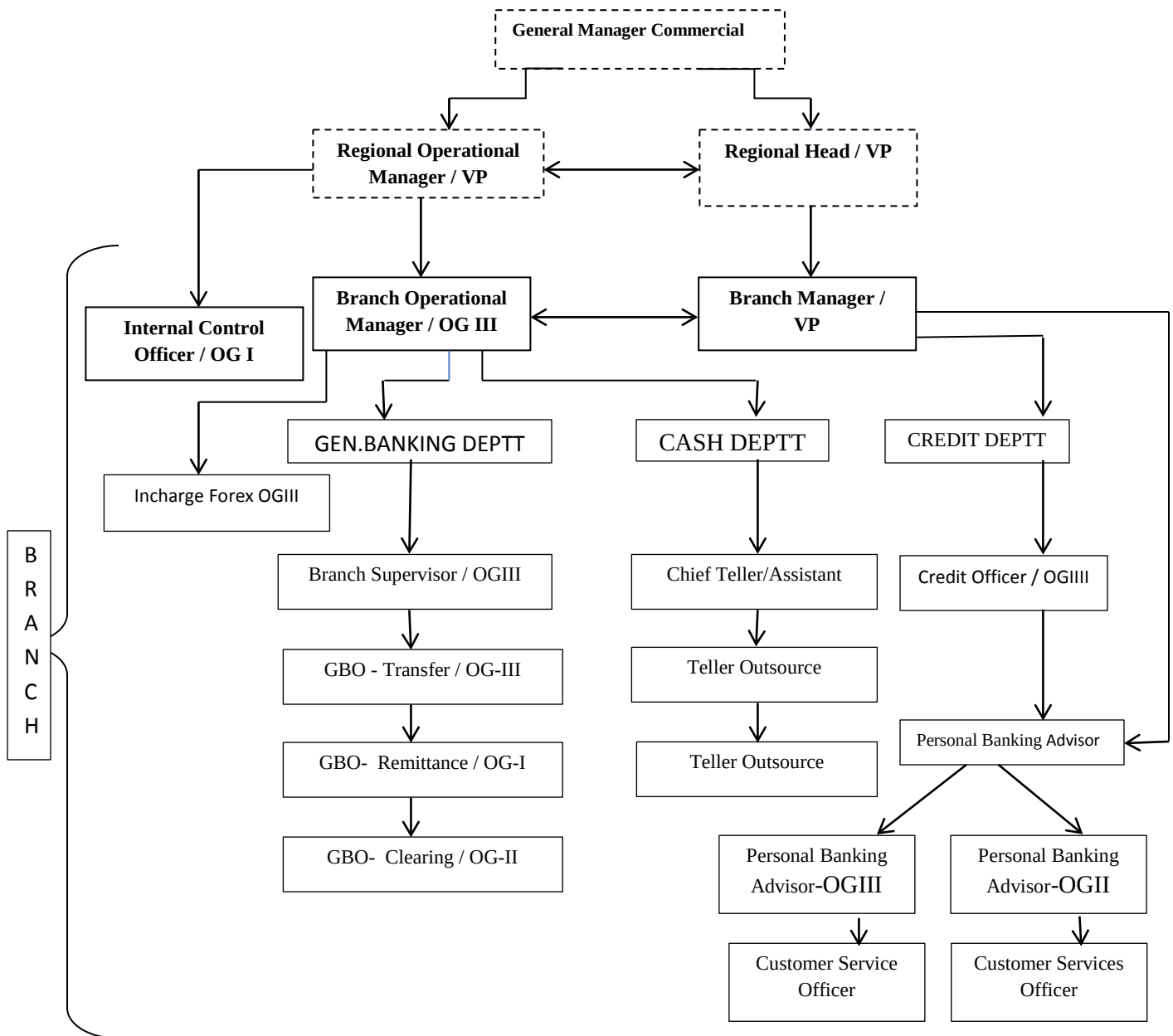
2.1.3 BRANCHES NETWORK





2.2 ORGANIZATIONAL STRUCTURE OF THE BRANCH

A well-developed and properly coordinate structure is an important requirement for the success of any organization. It provides the basic framework within which functions and procedures are performed. Any organization needs a structure, which provides a framework for successful operations. The operation of an organization involves a number of activities, which are related to decision making, and communication of these decisions. These activities must be well coordinated so that the goals of the organization are achieved successfully





2.3 DEPARTMENTS OF FATIMA JINNAH ROAD BRANCH (0947)

The departments are as under

- General Banking Department
 - Clearing Department
 - Remittance Department
- Credit Department
- Accounts Department
- Foreign Trade
- Internal Control Department

2.3.1 CLEARING DEPARTMENT

Clearing means collection of cheques received from our customers but drawn on other banks. Receiving the instruments deposited by customers Posting the amount of instruments in credit of customer's account If cheque returns from the concerned bank, the customer account is debited. Crossing stamp is put on the instrument and slip given to customer on receipt of the instrument. Clearing stamp and "payee account credited" are put on the instrument and the voucher. Clearing House has provided this facility. Clearing house facilitates different banks, in one city, to get their cheques drawn upon other banks to be cleared.

Cheques lodged in clearing constitute in clearing constitute two types of clearing:

- **Outward Clearing**
- **Inward Clearing**



● **Outward Clearing**

When cheques, TC's and other negotiable instruments drawn upon other banks like NBP, ABN AMRO of the same city (as Lahore) are presented in Muslim Commercial bank to deposit them in the respective payee's accounts, these instruments are lodged in outward clearing (o/w clg) of MCB bank.

Procedure of Outward Clearing

- The name of the branch appears on its face where it is drawn
- It should not stale or post - dated or without date.
- Amount in words and figures does not differ.
- Signature of the drawer appears on the face of the instrument.
- Instrument is not mutilated.
- There should be no material alteration, if so, it should be properly authenticated.
- If order instrument suitably indorsed and the last endorsee's account being credited.
- Endorsement is in accordance with the crossing if any.
- The amount of the instrument is same as mentioned on the paying-in-slip and counterfoil.
- The title of the account on the paying-in-slip is that of payee or endorsee (with the exception of bearer cheque).
- If an instrument received other than MCB of Pakistan then special crossing stamp is affixed across the face of the instrument. Clearing stamp is affixed on the face of the instruments, paying-in-slip and counterfoil (The stamp is affixed in such a manner that half appears on counterfoil and paying-in-slip). The instrument is suitably discharged, where a bearer cheque does not require any discharge and also an instrument in favor a bank not need be discharged.



Return Outward Clearing

- Over writing
- No stamp of clearing or if it is not clear
- No stamp of crossing or if it is not clear

● Inward Clearing

Inward clearing means cheques drawn on us and presented by other banks. In inward clearing Branch acts as paying banker. After realization of inward clearing, banks deposits are decreased as bank makes payment to other banks from the balances held by the branch. This realization of inward clearing is also referred to as responding to the clearing. Cheques and other negotiable instruments (PO, DD, PS, CDR etc.) drawn on Muslim bank, sent by other banks, constitute the inward clearing of MCB.

Procedure of Inward Clearing

- Instruments with schedules are received from NIFT.
- Amount of each instrument entered is in inward clearing register.
- Instruments are detached and handed over to the deposits and other respective department for checking and payment.
- In case of any instrument is returned, return memo is prepared stating the reason of the return.
- Entry is made in cheques Return register.
- Cheques return charges are recovered from the party as per charges schedule.

Checking / Return of Instruments

- Over writing
- No stamp of clearing or if it is not clear
- No stamp of crossing or if it is not clear



2.3.2 REMITTANCE DEPARTMENT

The Remittance department deals with the transfer of money from one place to another. Funds transfer facility or remittance of funds is one of the key functions of the banks all over the world. Remittances through banking channels save time, costs less and eliminate the risks involved in physical transportation of money from one place to another. Muslim Commercial Bank of Pakistan transfers money in the following ways.

- Pay Order
- Demand Draft
- Mail Transfer
- Telegraphic Transfer
- Pay Slip
- Call Deposit Receipt
- Letter of Credit
- Traveler's Cheque

● Demand Draft

It is used for payment made outside the city. It is write on the name of head office. Accounting entry by drawing branch. When the customer purchases a draft, the drawing branch sends the advice (a copy of DD) to the drawee branch and the original copy of DD is given to the purchaser. On the arrival of advice the drawee branch debits HO account and credits the DD payable account. When the customer comes with the original DD to the drawee branch, his account is credited by debiting the DD payable account.

Charges Commission 50/- but if amount increase or decrease then it will also increase or decrease and FED 8/- also increase or decrease.



● Pay Order

Payment Orders are issued for the money transfer within the city. Pay order is made for local transfer of money. Pay order is the most convenient, simple and secure way of transfer of money.

● Mail Transfer

A Mail Transfer is a form of remittance in which the amount remitted by a customer or a non-customer is directly credited to the account of the beneficiary with another branch. Move your money safely and quickly using MCB Mail Transfer service. And MCB also offers the most competitive rates in the market. They charge Rs 50/- exchange rate and RS 75/- postage charges on issuing mail transfer. When the money is not required immediately, the remittances can also be made by mail transfer (MT). Here the selling office of the bank sends instructions in writing by mail to the paying bank for the payment of a specified amount of money. Debiting to the buyer's account at the selling office and crediting to the recipient's account at the paying bank make the payment under this transfer.

● Telegraphic Transfer

Telegraphic Transfer is a form of remittance, which is advised by telegram, telex or fax machines. The fundamental principles of such transfer are otherwise identical with the Mail Transfer. It is the message, which is sent from one branch to another on the order of payer to payee through wire. It is one of the quickest means to transfer funds through the use of telex/fax/internet or cable.



2.3.3 ACCOUNTS DEPARTMENT

Opening of account is the most important department of the Branch as this is a contract between the customer and bank. All future transaction/operation are carried out as per this contract and any deviation may jeopardize the bank's interest. The opening of a new account is the establishment of customer banker relationship. By opening an account at a bank, a person becomes a customer of the bank. The customers can open following accounts:

- Current Account (CD A/C)
- Profit and loss sharing Account (PLS A/C)
- Basic Bank Account (BBA A/C)
- Fixed Deposit (FDR/TDR)

Account Opening

When a client comes to the bank, and makes a request for opening of an A/C. The officer says that first fill up a prescribed application form. If he/she wants to open a PLS A/C, then he/she has to fill a form according to the account.

Requirements

- ID Card of applicant
- ID Card of father, mother, brother, sister, husband or wife
- Student card (if applicant is student)
- Two photos for illiterate person or those who use Urdu signatures

Documents Attach with A/C Opening Form

- A/c opening form
- Specimen signature card
- Zakat form (for non-muslims)



- Deposit slip
- Requisition form

Issuance of Cheque Book

After opening an A/C with the bank, the A/C holder once again makes a request in the name of bank for the issuance of a cheque book. The A/C holder mentions title of A/C, A/C number, sign it properly and mentions the no of leaves he requires

2.3.4 CREDIT DEPARTMENT

The bank is profit seeking institution. It attracts surplus balance from the customer at low rate of interest and makes advances at a higher rate of interest to the individuals and business firms. Credit extensions are the most important activity of all the financial institutions, because it is the main source of earnings. Advances department is one of the most sensitive and important department of the bank. The major portion of the profit is usually earned through this department. The job of this department is to make proposals about the loans; the credit management division of head office directly controls all the advances. The advances Department receive application from intending borrowers. After receiving application the advance department processes it further. After analyzing and detailed investigation, they decide whether to approve the loan or not. Some loan approvals are made by the Manager of the branch within his powers as prescribed by the bank's higher authorities, while some loan applications are submit to higher authorities for their approval. Some advances are of the following nature

- Loan against Gold
- Agriculture advance to farmers
- Medium term advance for working capital
- Long term advance for setting industry
- Short term advance to businessman



2.3.5 FOREIGN EXCHANGE DEPARTMENT

This department mainly deals with the foreign business. The main functions of this departments are:

- L/C dealing.
- Foreign currency accounts dealing.
- Foreign Remittance dealing.

● L/C Dealing

MCB is committed to offering its business customers the widest range of options in the area of money transfer. If you are a commercial enterprise then our Letter of Credit service is just what you are looking for. With competitive rates, security, and ease of transaction, MCB Letters of Credit are the best way to do your business transactions.

● Foreign Currency Account Dealing

This department deals with the foreign currency accounts which mainly include dollar account, euro account etc.

2.2.6 INTERNAL CONTROL DEPARTMENT

Role of branch compliance department is to reconcile the prescribed frequencies, investigate long pending reconciliation item, and ensure correct treatment every half-year and clearing system service branch-in major cities. Internal control is the integration of the activities, plans, attitudes, policies and efforts of the people of the bank working together to provide reasonable assurance that the organization will achieve its objectives and mission.



2.4 DEPARTMENTS OF THE MCB

COMMERCIAL BANKING GROUP

The Group focuses on revenue growth and profitability while through cross sell and optimization of branch banking platform. With its large network of branches, Commercial Banking Group posted robust growth by increasing their deposit volume. The Group enhanced their sales model through the introduction of a direct sales force team and personnel bankers in many branches while continuing to strengthen their customer services quality. The year witnessed a successful restructuring of the SME & Mid-market segment with continued optimism of the benefit accruing in the upcoming times.

CONSUMER BANKING GROUP

The strategic focus of the Group to enhance cross sell, strengthen customer propositions and improve customer service. Emphasis will be on rapid expansion of the new initiatives such as MCB Privilege, Bancassurance, Investment Services and Alternate Distribution Channels. In parallel, the Group will remain committed to product development & refinement of processes for continuous growth of deposits & customer base. The Consumer Banking Group on its path of expanding the product suite and customer base. MCB Mobile, the first of its kind, mobile payment solution was launched enabling customers to access their accounts and make payments using their mobile phones. With the launch of MCB Privilege, MCB also became the first local bank in Pakistan to start a dedicated offering for the affluent segment through three dedicated Privilege Centers in Karachi, Lahore & Islamabad. A specialized Investment Services Unit was established to develop and distribute specialized investment products catering to the growth needs of affluent/mass affluent segments. There was increased focus on enhancing cross sell to deposit customers by expanding the footprint of Bancassurance. Functionality, reach, as well as, penetration of Alternate Delivery Channels was enhanced. A significant milestone in 2009 was the transformation of the call



centre from a service center to a transactional phone banking facility. Given the high interest rate environment and tight economic conditions, 2009 remained a cautious year for the consumer financing business. Only selective lending was carried out in segments that have performed well historically. With close monitoring of NPLs, the focus remained on collection & recovery and portfolio management during the year.

CORPORATE BANKING GROUP

Corporate Banking Group's scope of work was expanded with the inclusion of International Division and Investment Banking, which were absorbed to create better control and synergy. The group managed to maintain the quality of their risk assets and derived comfort from the fact that corporate non-performing loans constituted only 1% of the total corporate portfolio as compared to industry percentage of 4%. The group embarks with cautious optimism with strategic thrust being on building fee based income and trade business by cross selling to the existing customer base. Information technology led changes in Transaction Banking (TB) related Products led to a quantum jump in volumes and income, as a result of automation of payments and collections systems.

ISLAMIC BANKING GROUP

MCB Islamic Banking managed to maintain its profitability while ensuring quality of its earning assets despite tough market conditions & deterioration in assets quality of banking industry. Islamic Banking further strengthened its market outreach by increasing its deposit base and equity. MCB-IB plans to improve its assets & liability product range. Strategic initiative for further increase in dedicated branches and capitalizing on existing out reach of MCB Bank has been undertaken for capturing Islamic banking business.

TREASURY AND FOREX GROUP

Treasury & FX remained focused on its customer orientation and enhanced its coverage to a broader customer base. The portfolio of customers grew not only through the Treasury



Marketing Unit's own efforts but also as a result of a better cross-sell platform fully supported by the Wholesale, Commercial, Consumer and Financial Institutions businesses. Fixed Income sales showed substantial improvement over the past year's performance and remained an area of focus.

The Treasury Money Market business worked towards gradually enhancing the investment portfolio's duration over the course of the year. This effort was granted greater buoyancy by the stable deposit growth shown by the bank during the year and the portfolio was almost entirely funded through the bank's own sources and decreased whatever little dependence there was on the inter-bank money market. The enhanced duration of the portfolio ensured that the deposit-taking areas of the bank were able to pay superior rates of return to customers and was a key support factor in the overall growth of the bank's balance sheet. The Foreign Exchange business continued to grow over the course of the year in spite of substantial volatility in the inter-bank markets owing to the turbulent economic situation facing the country. Overall the Treasury & FX Group turned in a very strong performance and ensured its continued support for the rest of the bank's businesses. The Treasury followed through on the vision of the Bank's management and deployed a Treasury Marketing Unit in Lahore which supports the bank's client base in key centers such as Islamabad, Rawalpindi, Lahore, Faisalabad etc. Further efforts in this regard are continuing and in the coming year Treasury will add at least one more marketing desk in a major city broadening its coverage even further.

ASSETS MANAGMENT GROUP

Bank's Special Asset Recovery outfit (SAMG) role further prominence. SAMG, posted cash recovery in excess of Rs. 1 Billion. It is foreseen that the asset remedial management function would continue to play a visibly pronounced role at least in the medium term scenario.



AUDIT & RAR GROUP

Audit Group has performed consultative role in addition to the assurance services that it is geared to provide. The Group has strengthened itself to cater to the requirements of Bank's Whistleblowing Program. Training & Quality Assurance

Department, developed within the Group, ensures that the audit assignments qualify the high standards that have been defined for the Group. Audit Group is now equipped both in terms of human resource and methodology, and is committed towards optimization of its operations.

OPERATIONS GROUP

Operations group made significant progress through centralization, strengthening of the Bank's processes through compliance with the COSO based Internal Control Framework, Business Continuity Management and Staff Training & Development. Strong operational support was provided to the businesses to ensure the launch of new products, channels and services including Bancassurance, Privilege Banking, Mobile Banking, Phone Banking, Trade Products & Cash Management as well as in the migration of core banking application across all branches in the country.

HUMAN RESOURCE GROUP

The Human Resources Group has worked towards instilling systematic processes to build a performance-based culture based on internal equity. Alongside aligning the bank with best practices, this is surely to bring about an efficient and motivated workforce. The Group will be further developing staff through a focus on career development and training to truly brand MCB as an employee-focused organization.

BUSINESS DEVELOPMENT AND NEW INITIATIVES

The Group, in close coordination with the Board and senior management, led the bank-wide strategic planning exercise to refine and revalidate MCB's 2012 strategy. Program Alpha, an initiative tasked with transforming branches into efficient sales and service centers was very active. The Group also set-up a bank-wide Central Business Intelligence Unit responsible for



supporting the retail bank in its sales and performance MIS needs. BDNI will continue to ramp up on Program Alpha and BIU coverage and will work closely with all bank groups to ensure strategy delivery.

INFORMATION TECHNOLOGY GROUP

The major focus was on the completion of the roll-out of the Core Banking System (Symbols) which heralds a new era for the bank. Apart from the roll-out, the Group focused on up gradation of network technology, revision of security framework and provision of disaster recovery for the critical business applications, deployment of a new Payments and Collection system moving MCB to the 3rd market position (from 7th) and launched its Mobile Banking platform fully integrated with MCB systems. Information Technology governance model has been introduced to ensure quality selection, monitoring and delivery of all high value projects.

COMPLIANCE GROUP

Compliance Group focus on pro-actively identifying and resolving any regulatory gaps, particularly related to Know Your Customer (KYC) and Anti-Money Laundering (AML). To create awareness across the bank regarding KYC & AML regulations, over eighty training sessions were conducted by the group in 39 cities / regions training approximately 2,600 staff. Other initiatives were undertaken in the shape of “Compliance News Letter” and “Regulatory & Legal update”.. The Bank is now moving towards a solution based monitoring and has already acquired “Name filtering” solution while an AML solution is in the process of being finalized for implementation which will better equip the bank in curbing any unscrupulous transaction.

RISK MANAGEMENT GROUP

Prudent and effective risk management is and has always been a significant success factor in steering the Bank's march towards strong profitability and market leadership. The Bank employs the function of risk management as an important tool in implementation of its long term vision. MCB has successfully created a culture based on modern techniques that allows



risk management and business units to create more shareholder value through a better understanding of our Bank and our customers. The Risk Management framework combines core policies, by procedures and process design with oversight and is supported by risk monitoring across the bank. Elements of risk management framework are reviewed and updated in order to align our long-term strategy in the field with lessons learned through the Bank's own experiences and international best practices also kept compliant with the local regulations and selected international best practices, particularly those relating to implementation of Basel-II.

The group controls the review and administration of lending solutions offered to our clients through a dedicated team of experienced professionals. Specific functions of the group ensuring particular risk management are;

- Credit Review and Credit Risk Control ensure that lending decisions are in line with the Bank's strategy, lending is prudently given, and that recoveries are actively monitored;
- Credit Risk Management identifies target markets through economic research and data analysis, defines how the Bank lends to its customers through detailed policies and procedural product manuals and coordinates with business units to ensure that targeted lending activity is in line with the Bank's overall risk appetite and strategy;
- Market Risk Management ensures that the Bank's exposures in financial markets are actively managed within reasonable limits;
- Operational Risk Management helps the Bank understand risks and improve mitigating controls so as to minimize operational risks that are inherent in almost all areas of the Bank;
- Basel II Projects monitors the implementation of various projects in the areas of credit, market and operational risk that have been initiated to allow the Bank to adhere to, and adopt, the internationally accepted best practices of Basel II;



- In addition to the internal Compliance unit within the Risk Management Group, the Risk Management & Portfolio Review Committee provides oversight and direction to the activities of the Group. These elements of risk management within MCB Bank collectively ensure that the Bank's risk profile is actively monitored and adjusted according to the Bank's strategy and the operating environment in a manner which ensures protection to the depositor and value to the shareholder.

INVESTMENT GROUP

The principal purpose of an investment group is the underwriting of new securities issued by an investment bank's clients. An investment bank may also provide other services, such as professional advice, working with mergers & acquisitions, and private wealth management.

INTERNAL CONTROL GROUP

The Bank's internal control structure comprises of the Board of Directors, Senior Management, Risk Management Group, Compliance & Control Group, Financial Control Group, Self-Assessment Process within business groups and Internal Audit. The Management is responsible for establishing and maintaining a system of adequate internal controls and procedures for implementing strategy and policies as approved by the Board of Directors, designed to provide reasonable assurance as to the integrity and reliability of those controls and reports produced there from; developing processes that identify, measure, monitor and control risks incurred by the Bank; maintaining an organizational structure that clearly assigns responsibilities, authority and reporting relationships; ensuring that delegated responsibilities are effectively carried out.



3. STRUCTURE AND FUNCTIONS OF THE ACCOUNTS / FINANCE DEPARTMENT

3.1 FINANCE & ACCOUNTING OPERATIONS

The finance department of a bank takes responsibility for organizing the financial and accounting affairs including the preparation and presentation of appropriate accounts, and the provision of financial information for managers. The finance team manages the internal finances of the firm. They are the banks internal management accountants. The main operations covered by the financial department include:

- Anticipation of fund.
- Acquisition of fund, coordinating financing and fund raising activities.
- Allocation of fund.
- Assessment of fund.
- Assessment and appraisal of financial activities.
- Preparation of budgets and financial reports.
- Managing the general ledger.
- Investment of funds and manage associated risks, Involve in direct investment activities.
- Implement long term financial plan.
- Liaising with external auditors.
- Developing strategies of capital budgeting, capital structure and Debt Financing
- Decisions involving capital investment, equity, and debt, along with paying dividends to shareholders.
- Maintain cash management.
- Credit risk management.
- Capital structure and debt financing.
- Managing cost of capital, establish credit-rating criteria.



- Determine credit ceilings.
- Monitor the collections of past-due accounts.
- Credit control.
- Monitoring expenditure and liquidity.
- Managing investment and taxation issues.
- Reporting financial performance to the board.
- Providing timely financial data to the CEO.
- Implement Annual business planes, cash flow projection, monitoring and interpreting cash flows.

- Quarterly operating results of the bank as a whole and in terms of its operating divisions or business segments.

Finance department records values from financially relevant transactions of value-adding processes. It enables to maintain a consistent, reconciled, auditable set of books for statutory reporting, and for consolidation and management support. At the same time, the data gathered serves as one source for other analytic scenarios such as Regulatory Compliance or for scenarios groups such as Portfolio & Risk Management.

ACCOUNTS DEPARTMENT WORKING PROCESS

Every branch has its own Accounts Department which is responsible to record and process each & every business transaction taking place during the working day. This Department consolidates the position of the branch at the day end in the shape of Assets, Liabilities, Revenues and Expenses. This position is daily sent to the Finance Department of Head Office which consolidates all these Statement of Affairs bank wise. This position is sent to the State Bank of Pakistan (SBP).

The main function of Finance Department of Head Office is to maintain smooth liquidity of bank by arranging funds from SBP and other banks if required. This Department is also responsible for making physical investment on behalf of bank into government securities and other corporate securities.



3.2 THE ROLE OF FINACIAL MANAGER

FINANCIAL MANAGER

Finance manager organizes and manages an organization's financial portfolio. A finance manager is a professional who oversee the preparation of financial reports as required by law and approved by the organization's board of directors, direct investment activities, and implement cash management strategies.

The finance manager also develops financial strategies to meet the needs of the organization's short- and long-term goals. Responsibilities also include evaluating data to appraise the current and future financial condition of the organization, and supervising investment activities.

FINANCIAL MANAGER RESPONSIBILITIES

A financial manager is responsible for supervising and handling financial reports, investment portfolios, accounting, and all kinds of financial analysis for an organization. Additionally, he oversees cash management strategies and financial legislation and regulation. He manages the cash flow for an organization by supervising balance sheets, income statements, and the costs and revenue model.

The responsibilities of a financial manager also involve supplying an efficient financial blue print and elucidating all the financial data for an organization, while minimizing costs and maximizing profits. The primary objective is to generate future revenue streams for an organization, while effectively managing the existing investments. He is also responsible for budgetary decisions and planning. Additionally, he must be well versed in the technical aspects of all kinds of financial decisions. This requires an in depth knowledge of various statutory litigation and legal regulations.

Financial manager responsibilities can be divided into two broad categories:



- **Managerial financial responsibilities**
- **Corporate financial responsibilities**

Managerial financial responsibilities

Managerial finance involves assessment and appraisal for all kinds of financial activities happening in an organization. Managerial finance does not involve drafting and implementation of financial techniques or strategies. Rather, its primary focus is on the regulation and administration of the existing projects.

Corporate financial responsibilities

Corporate finance, on the other hand, delegates a task to maximize corporate value to a financial manager. A financial manager has to deal in decisions involving capital investment, equity, and debt, along with paying dividends to shareholders. In addition, a corporate finance manager deals in decisions related to investment banking to raise capital for the company. He achieves this by trading in securities and bonds.

DIVERSIFIED ROLE OF FINANCIAL MANAGER

Financial managers typically of banks; it is one of the most diverse of the financial management. They have myriad responsibilities including controller, treasurer, credit or cash management, risk management, capital budgeting, supervising other employees, soliciting business, directing bank investments, complying with banking laws, and authorizing and approving loans and other business ventures.

Controller is in charge of preparing financial reports and helping others to prepare financial reports. These reports include balance sheets, income statements, income analysis, projections, expense analytics that summarize and forecast the organization's financial position. Controllers also are in charge of preparing special reports required by regulatory authorities. Often, controllers oversee the accounting, audit, and budget departments.



Treasurers are responsible for handling money. They organize the creation of the budget and help to allocate their money toward different business goals. Direct their organization's budgets to meet its financial goals. They oversee the investment of funds, manage associated risks, supervise cash management activities, execute capital-raising strategies to support the firm's expansion, and deal with mergers and acquisitions.

Cash Management control cash disbursements and review receipts to account for distributed cash. Cash managers monitor and control the flow of cash receipts and disbursements to meet the business and investment needs of their firm.

Credit Management grant and review credit accounts or lines of credit to customers. This could mean evaluating a customer's credit risk, granting them a line of credit, and monitoring that line of credit for on-time payments. Credit managers oversee the firm's issuance of credit, establishing credit-rating criteria, determining credit ceilings, and monitoring the collections of past-due accounts

Risk Management is another important role considered to be a financial manager. Risk managers ensure that the risk of a financial transaction is in line with corporate or individual goals. Risk managers control financial risk by using hedging and other techniques to limit a company's exposure to currency or commodity price changes. Managers specializing in international finance develop financial and accounting systems for the banking transactions of multinational organizations. Risk managers are also responsible for calculating and limiting potential operations risk.

Manage International Banking financial managers play an important role in mergers and consolidations and in global expansion and related financing. These areas require extensive, specialized knowledge to reduce risks and maximize profit. Financial managers increasingly are hired on a temporary basis to advise senior managers on these and other matters. In fact, some small firms contract out all their accounting and financial functions to companies that provide such services.



Capital budgeting plays an important role in allocating resources in enterprises. Through a well-structured process of capital budgeting done by financial manager , an enterprise can compare the profitability of its divisions, assess the feasibility of new business proposals, decide which projects to expand, construct a corporate portfolio to maximize returns, such as ROA, ROE and RAROC (risk-adjusted return of capital), and minimize risk.

3.2.1 FINANCIAL MANAGER ROLE IN CASH MANAGEMENT

Bank cash management services include local and cross border payments, collections, information management, account services, liquidity management and investment services for both corporate and institutional clients. Cash management is a broad term that covers a number of functions that help individuals and businesses process receipts and payments in an organized and efficient manner. Administering cash assets today often makes use of a number of automated support services offered by banks and other financial institutions. The range of cash management services range from simple checkbook balancing to investing cash in bonds and other types of securities to automated software that allows easy cash collection.

When it comes to cash collections, there are a few popular options today that can make the process of receiving payments from customers much easier. Automated clearing houses make it possible to transact a business to business cash transfer that deducts the payment from the customer account and deposits the funds in the vendor account. Generally, this service is available for a fee at local banks.

Basically there are five principles to cash management:

- 1) Invest your idle cash assets
- 2) Plan investments and expenditures to maximize operational efficiency
- 3) Hold accounts payables until the latest date without taking a penalty



- 4) Keep inventory levels as low as possible
- 5) Increase the speed of collection of accounts receivables

3.2.2 FINANCIAL MANAGER ROLE IN CREDIT MANAGEMENT

The finance manager successfully creates credit management framework combines core policies, by procedures and process design with oversight and is supported by risk monitoring across the bank. Elements of credit management framework are reviewed and updated in order to align our long-term strategy in the field with lessons learned through the Bank's own experiences and international best practices also kept compliant with the local regulations and selected international best practices, particularly those relating to implementation of Basel-II.

Banks tend to put very strict lending limits into practice in order to ensure that the stable profits of the business are not exceeded by the risk of the loans.

Credit management is a term used to identify accounting functions usually conducted under the umbrella of Accounts Receivables. Essentially, this collection of processes involves qualifying the extension of credit to a customer, monitors the reception and logging of payments on outstanding invoices, the initiation of collection procedures, and the resolution of disputes or queries regarding charges on a customer invoice. When functioning efficiently, credit management serves as an excellent way for the business to remain financially stable.

The process of credit management begins with accurately assessing the credit-worthiness of the customer base. This is particularly important if the company chooses to extend some type of credit line or revolving credit to certain customers. Proper credit management calls for setting specific criteria that a customer must meet before receiving this type of credit arrangement. As part of the evaluation process, credit management also calls for determining the total credit line that will be extended to a given customer.



Credit risk management is a logical process or approach that seeks to eliminate or at least minimize the level of risk associated with a business operation

Several factors are used as part of the credit management process to evaluate and qualify a customer for the receipt of some form of commercial credit. This includes gathering data on the potential customer's current financial condition, including the current credit score. The current ratio between income and outstanding financial obligations will also be taken into consideration. Competent credit management seeks to not only protect the vendor from possible losses, but also protect the customer from creating more debt obligations that cannot be settled in a timely manner.

After establishing the credit limit for a customer, credit management focuses on providing the client with accurate and timely statements or invoices. The invoices must be delivered to the customer in a reasonable amount of time before the due date, thus providing the customer with a reasonable period to comply with the purchase terms. The period between delivery of the invoice and the due date should also allow enough time for the customer to review the invoice and contact the vendor if there are any questions or concerns about a line item on the invoice. This allows all parties concerned time to review the question and come to some type of resolution.

Financial Institutions that have a diversified portfolio may be more likely to survive a crashing market. Credit risk management is a complicated that often requires excellent professional expertise. Excel is a software product used to analyze and visualize data. Credit risk management departments in banks large and small utilize Excel spreadsheets to organize the tens of thousands of pieces of their clients' risk information profiles into manageable and actionable data items.



3.2.3 CHIEF FINANCIAL OFFICER (CFO)

Chief financial officers (CFO) direct the organization's financial goals, objectives, and budgets. They oversee the investment of funds and manage associated risks, supervise cash management activities, execute capital-raising strategies to support a firm's expansion, and deal with mergers and acquisitions.

As the Chief Financial Officer (CFO) of bank, he is responsible to the company's Board of Directors for all accounting and financial matters. He must establish company-wide objectives, policies, procedures, processes, programs, and practices to assure the company of a continuously sound financial accounting structure.

The Role of CFO in bank

The Top Ten Responsibilities for the CFO:

1. Cash Flow
2. Company Liabilities
3. Company Performance
4. Department Supervision
5. Budgeting and Expense Control
6. Financial Relationships
7. Finance or Raising Capital
8. Financial Obligations
9. Record Control
10. Shareholder Relations

1. **Cash Flow.** As a CFO, his job is to control the cash flow position throughout the company, understand the sources and uses of cash, and maintain the integrity of



funds, securities and other valuable documents. You receive, have custody of, and disburse the company's monies and securities.

CFO responsibility includes the authority to establish accounting policies and procedures for credit and collections, purchasing, payment of bills, and other financial obligations. Cash is king and the flow of cash, or cash flow, is the most important job a CFO has in any bank.

2. **Company Liabilities.** After cash flow, the CFO must understand all of the company's liabilities. A company has many legal contracts, statutory & tax obligations, hidden liabilities in the form of contingencies, leases, or insurance summaries, and expectations from loan covenants and/or the board of directors.
3. **Company Performance.** The CFO must understand the company business model for generating customer value and translate the operational metrics into measures for performance. The CFO is the bank scorekeeper using tools like the balanced scorecard, dashboards, and financial statement ratio analysis to communicate both the company's expected and actual financial performance.
4. **Department Supervision.** In a small organization, the CFO is the supervisor of Accounting, Finance, HR, and IT. In a larger company, the CFO may only be responsible for the Accounting and Finance functions. Either way, the CFO supports the company's accounting and financial functions using job descriptions, policies, and procedures.
5. **Budgeting and Expense Control.** Budgets are a fact of life, and the CFO is responsible for overseeing the budget process, collecting the inputs, and comparing the company's actual performance with estimates (the budget). It is an ugly process that falls within the CFO area of control.
6. **Financial Relationships.** As a CFO, you establish and maintain lines of communication with investment bankers, financial analysts, and shareholders in conjunction with the President. You administer banking arrangements and loan agreements and maintain adequate sources for the banks current borrowings from



commercial banks and other lending institutions. In addition, you invest the banks funds and administer incentive stock option plans.

7. **Finance or Raising Capital.** Finance is one of the key roles of the Chief Financial Officer. The CFO will establish and execute programs for the provision of capital required by the company, including negotiating the procurement of debt and equity capital and maintaining the required financial arrangements. As the CFO, coordinate the long-range plans of the company, assess the financial requirements implicit in these plans, and develop alternative ways in which financial requirements can be satisfied.
8. **Financial Obligations.** As the CFO, need to approve all agreements concerning financial obligations, such as contracts for raw materials, IT assets, and services, and other actions requiring a commitment of financial resources.
9. **Record Control.** The CFO is responsible for the financial aspects of all company transactions including real estate bids, contracts, and leases. The CFO also provides insurance coverage, as required, ensures the maintenance of appropriate financial records, prepares required financial reports, insures audits are completed in time and statutory book closing occur. The CFO has primary responsibility for ensuring company compliance with financial regulations and standards.
10. **Shareholder Relations.** A CFO analyzes company shareholder relations policies, procedures, and information programs, including the annual and interim reports to shareholders and the Board of Directors, as well as recommends to the President new or revised policies, procedures, or programs when needed.



3.3 USE OF ELECTRONIC DATA IN DECISION MAKING

The financial control department makes sure that all financial transactions comply state all laws, rules and regulations. This department is responsible for centrally processing and recording the transactions. This department also ensure that enough funds available before the bank engages in a commitment. This department is also responsible for generation the annual reports in compliance with the company's ordinance 1984.

ORACLE GL

Oracle GL is a product of the Oracle E- Business suite which the organization has acquired as its platform for managing its business transactions and maintaining Oracle General ledger works seamlessly with other Oracle E-Business Suite products to drive better decision making, sustainable financial discipline, regulatory compliance, and optimized business process.

The MCB Financial Control Department before switching over to Oracle E-Business Suite's Oracle GL system used an in-house developed system called "Financial Control System". This was implemented so as to meet the business needs of the company at that time, however as the company expanded and its branches increased at a phenomenal rate and it started to offer new services, the Financial Control System could no longer meet the complex needs of the department. Apart from this, there were the usual system break downs which resulted in increased cost (time cost because it required some time to repair the system and monetary cost because it required having separate personnel for training new employees). A need was felt that a new system had to be brought in to the department that would integrate smoothly with the organization and the departments information management needs and at the same time also be reliable. Therefore, after a period of searching and evaluating various information systems, the company bought a new information system, the "Oracle Financial Suite" and one of the elements of this financial



suite was Oracle GL which was perfectly suited for the Financial Control Departments requirements. This system was adopted by the organization because it allowed the company to cope with its changing requirements and this software gave the company several options that were not previously available in the previous system. This system also enables the organization to better organize its operations than before. The biggest advantage of this system over the previous one was that it is compatible with other elements of the Oracle Financial Suite, hence the work done in other departments can be smoothly integrated with Financial Control Departments tasks and vice versa.

BENEFITS OF “ORACLE GL” TO ORGANIZATION

The Oracle GL provides to its end users a friendly interface and hence the end user does not require specialized training to operate this system (The end users can know how to use this system with minimum of training.) This system enables the department to generate accounting reports according to the accounting standards of Pakistan and according to the specific requirements of the bank. The system makes it easy to customize reports the way they are needed which helps the bank and the department adjust to any procedural or any other changes that may need to be implemented. For example if there are any changes in accounting laws or procedures that the bank may need to implement, the system easily facilitates that. This system also has the capability to fulfill most of the requests of the end users by default. The Oracle GL provides high Data Integrity by making sure that the data that is saved will be available for future use and will not have any errors. Data retrieval or data recovery is also made easy by the system and the end users of the system are saved from spending too much time or effort in trying to recover data that may normally be hard to find in other systems. It also reduces the occurrence of a system failure to almost ZERO as there hardly are any cases of system crashes or any other issues with the system. It also has a Relational Database Management System that stores data in the form of related tables. Relational databases are powerful database management systems because they require few



assumptions about how data is related or how it will be extracted from the database. As a result, the same database can be viewed in many different ways.

“ORACLE FINANCIAL SUITE” HELPS IN PREPARATION OF REPORTS

This system enables MCB financial department to generate the following financial statements:

- General Ledgers for the branch
- Completing its all transactions
- Maintaining & balances accounts
- Balance Sheet
- Profit and Loss account
- Cash Flow statement
- Non-performing loan report
- Statement of Changes in Equity
- List of new accounts
- Consolidated income/expenditure
- Bank Scroll
- Zakat exemption report

The system then saves and documents all these reports and financial statements into its database for future use and referencing. This information is not only useful for preparing reports and financial statements for the bank but is also used in times such as making audit reports, company reports, etc.

ORACLE CATERS MCB FINANCIAL NEEDS

The Oracle E-Business Suite is a top of the line application software used by businesses around the world. Oracle is a software company renowned for providing its customers with



excellent software's that provide fast, easy and efficient business information and support systems which play a vital part in operational running of a business and coming up with improved business solutions.

Since Oracle GL is financial software system designed to for an organization's financial needs and caters to an organization like MCB's financial needs. Its end users will be people related to finance. In this case, employees in MCB's Financial Control Division are the end users of the system. All the employees in this department have been properly trained to use this system. The system itself has also been highly customized to suit all the needs of the department and meet its requirements in an efficient and cost effective manner.

MCB aims to keep its business in line with the top banks and corporations of the country and therefore, it has chosen Oracle E-Business Suite as the application software that manages and supports its business applications. The Oracle GL has the important task of maintaining General Ledger Balances of the bank from around the country and generating reports and financial statements on a daily basis.

TECHNICAL SPECIFICATIONS

Hardware – HP Blade Server

Software – Oracle e-Business Suite R12

Operating System – Linux Environment

Input – Financial data

Output – financial statements like ledgers, balance sheet etc.

Processing – Batch processing

Storage – both Hot-sites and Cold-sites



3.4 SOURCES & GENERATION OF FUNDS

Main sources and generation of funds for the bank are as under:

1. Deposits from Customers.
2. Borrowings from Financial Institutions.

3.4.1 DEPOSITS FROM CUSTOMERS

Particulars	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Customers					
Fixed deposits	62,651,531	61,680,332	32,202,230	33,297,203	13,293,121
Saving deposits	173,797,078	150,927,938	151,555,718	136,872,384	137,067,311
Current Accounts Non-Remunerative	123,898,324	105,310,862	95,966,877	81,658,304	74,331,042
Margin Accounts	2,910,655	3,137,434	2,589,309	2,447,944	2,568,306
Total Customers Deposits	363,257,588	321,056,566	282,314,134	254,275,835	227,262,780

COMMENTS

Total deposits from customers have been increased 59% in 2009 as compared to 2005. This increase is due to major increase in Fixed & Saving deposits of the bank. Deposits to customers and financial institutions, was the main contributor to increase Liabilities grew by



14% to Rs. 440B in 2009 compared to Rs. 385B in 2008., deposits with a rise of 11% to Rs. 368B Savings deposits significantly rose by Rs. 20B to Rs. 176B (Dec 08:Rs. 156B). Demand deposits (including margin accounts of Rs. 3B) increased by Rs. 17B (15%) reaching 129B (2008:Rs.112B). This brought CASA to Rs. 305B (Dec 08: Rs.269B). Term deposits also increased by 2% to Rs. 63B (Dec 08:Rs. 62B). However, with a 1% decrease in advances and 11% increase in deposits resulted in ADR to drop from 83% to 73% in 2009.

3.4.2 BORROWING FROM FINANACIAL INSTITUTIONS

Details of borrowings from financial institutions	2009	2008	2007	2006	2005
-----Rupees in 000-----					
Borrowings from the State Bank of Pakistan					
Export refinance Scheme	8,829,527	9,217,004	5,593,462	6,727,670	4,980,519
Long-term financing facility	80,220	2,044,460	-	-	-
Long term financing export oriented project scheme	2,018,330	56,291	2,473,077	2,313,030	-
Borrowing from other financial institution	452,398	-	2,932,600	2,932,817	-
Repurchase agreement borrowing	31,606,331	6,325,021	26,931,342	11,263,929	19,473,049
Other	-	-	-	-	1,970,562



Borrowing	42,986,806	17,642,776	37,930,481	23,237,446	26,424,130
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UNSECURED

Call borrowings	1,146,092	4,418,990	500,000	89,003	459,365
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Overdrawn nostro accounts	529,190	602,074	976,350	617,027	-
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	1,675,282	5,021,064	1,476,350	706,030	459,365
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	44,662,088	22,663,840	39,406,831	23,943,476	26,883,495
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COMMENTS

Borrowings under Export refinance scheme the bank has entered into agreements with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the terms of the agreement , the bank has granted SBP the right to recover the outstanding amount from the bank at the date of maturity of finance by directly debiting the current account maintained by the bank with SBP .Export refinance loans from SBP are at the rate of 7.00% per annum (2008 7.5%per annum) According to agreements with SBP, locally manufactured machinery loans from SBP are at the rate of 8 % to 9.5% per annum for 2005 (11% per annum 2006) providing finance machinery. to customers against locally manufactured Secured borrowing under the head of “others” from SBP are interest free Call borrowing carry interest ranging from 11.25% to 12.65% per annum (2008: 12% to16.5% per annum) The repurchase agreement borrowings are secured against market treasury bills and carry mark-up at rates ranging from 9.25%to 12.1% per annum (2008: 8.75%to15% per annum),



under the head of unsecured borrowing “others” carry interest rate 10% per annum and overdrawn nostro account carry interest rate 1% to 5 % per annum.

3.5 ALLOCATION OF FUNDS

Banking deposits are used and allocated in the following channels;

- Lending to Financial Institutions
- Investments (In Securities)
- Advances

3.5.1 LENDING TO FINACIAL INSTITUTIONS

	2009	2008	2007	2006	2005
	<i>.....Rupee in 000.....</i>				
Call money lending	3,000,000	1,700,000	1,051,372	9,050,000	8,650,000
Repurchase agreement Lending's	–	2,400,079	–	12,031,800	1,348,828

COMMENTS

Call money lending's carry mark-up at rates ranging from 7.75% to 9.75% and repurchase agreement lending mark-up rate ranging 7.0% to 8.65% in 2005 (12.4% to 12.9%, 12% to 12.8% in 2009) securities held as collateral against repurchase agreement lending includes the Market Treasury Bills and Pakistan Investment Bonds. Market value of the securities under repurchase agreement lending amount to r.s 8,650 million in 2005 , 9,050 million in 2006 ,1,051 million in 2007 , 1,700 million in 2008 and 3,000 million in 2009 .These carry



mark-up rate ranging from 18% to 18.5 % in 2008 (2007 nil) and in 2009 11.34% to 18.5% .

3.5.2 Investments

	2009	2008	2007	2006	2005
Investments by segments	<i>.....Rupees in 000.....</i>				
Federal Government Securities					
Market Treasury Bills	139,569,774	70,513,126	85,481,869	36,872,804	46,999,774
Pakistan Investment Bonds	7,699,324	4,683,476	5,140,072	3,791,439	4,507,801
Federal Government Securities	171,583	322,216	704,928	825,719	-
Government compensation bonds	286,557	870,771	870,771	870,771	870,771
Euro Bond	684,810	4,969,516	3,299,630	3,019,135	2,971,758
Sukuk bond	1,503,702	1,838,533	1,585,475	1,573,478	759,767
Unlisted Term Finance Certificates	3000000	3,000,000	-	-	-
Overseas Govt Securities					
Govt of Sri Lanka T Bonds	-	70,000	-	-	-
Market Treasury Bills	3,387,148	1,321,816	-	-	-
Provisional Government Securities	118	118	118	118	118
Subsidiaries and		1,384,432	1,384,432	1,364,432	1,064,452



Associated Undertaking	1,384,826				
Fully paid up ordinary shares					
Listed companies	7,071,612	8,306,012	7,557,700	5,749,225	5,035,363
Unlisted companies	413,843	415,724	415,333	437,012	443,369
Units of Open Ended Mutual Funds	442,981	661,909	1,662,063	118,595	-
Term Finance Certificates, Debentures, Bonds and Participation Term Certificates					
Listed TFC	1,831,777	1,404,384	1,136,821	1,450,659	1,173,320
Unlisted TFC	1,129,096	897,448	1,223,068	1,946,344	1,271,631
Debentures, Bonds & Participation Term Certificates (PTCs)	121,618	129,589	123,498	441,492	604,488
Certificate of investment	-	250,000	500,000	3,550,000	1,500,000
Fully paid-up Preference Shares					
Listed companies	61,602	61,602	61,602	61,602	61,602
Unlisted Companies	100,000	100,000	100,000	100,000	100,000
Other investment					
Sukuk Bonds	1,650,227	1,337,727	600,000	-	-
NIT Units	5,253	5,253	5,253	5,253	83



Total investment at cost	170,515,851	102,543,652	111,816,633	62,178,078	68,261,026
Less- provision for diminution in value of investment	(3,686,520)	(3,044,962)	(468,288)	(363,019)	(547,424)
Investment (net of provision)	166,829,331	99,498,690	111,348,345	61,815,059	67,713,602
Surplus/Deficit on revaluation of available for sale securities – net	305,134	(2,763,618)	1,754,021	1,671,257	1,766,251
Deficit on revaluation of held for trading securities-net	-	(103,198)	(13,105)	-	1,634
Total investments at revalued amount- net of Provisions	167,134,465	96,631,874	113,089,261	63,486,316	69,481,487

COMMENTS

Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's Under the head of Federal government securities these include Pakistan investment bond amounting to R.s 75 million held by SBP as pledge against demand loans Investments other than those categorized as held-for-trading are initially recognized at fair value which includes transactions costs associated with the investments. Investments classified as held-for-trading are initially recognized at fair value, and transaction costs are expensed in the profit and loss account.

All regular way purchases/sales of investment are recognized on the trade date, i.e., the date the bank commits to purchase/sell the investments. Regular way purchases or sales of



investment require delivery of securities within the time frame generally established by regulation or convention in the market place.

MCB objectives were targeted towards investments, strong policy framework, strategic investment initiatives and implementation of cost effective measure across bank. The investment structure of the bank individually worked hard in achieving the milestones under continuous monitoring and supervision of the senior management and Board.

The bank investment has diversified in different segments, diversified portfolios are generally more resilient in the face of unforeseen events, and diversification strategies can be stated simply and implemented clearly.

The Bank, however, does not have an affirmative policy on risk diversification in its portfolio but MCB maintain diversified investment portfolios.

MCB made a major portion of investments in Federal Government Securities. Federal government securities consist on Market Treasury Bills, Pakistan Investment Bonds, federal securities, govt compensation bond, Euro bond, sukuk bond, UTFC unlisted term finance certificates.

“Available for sale” Market Treasury Bills and Pakistan Investment Bonds are eligible for rediscounting with the State Bank of Pakistan (SBP). The market value of Pakistan Investment Bonds and Market Treasury Bills classified as ‘held to maturity’ as at December 31, 2009 amounted to Rs. 1,867.674 million and Rs. 3,387.148 million (2008: Pakistan Investment Bonds Rs. 1,659.166 million and Market Treasury Bills Rs. 1,436.673 million) respectively

Bank makes investments in ordinary as well as preference shares. According to investment policies of MCB the investments made in both listed and unlisted companies, to overcome investment risk all listed companies are well reputed and holding strong financial position, selected in this regard. Unlisted listed companies recommended to be listed for future further investments. Unlisted companies are stated at carrying value.



Sukuk & NIT units these are Government of Pakistan guaranteed securities in which bank have major investments.

MCB holding Term Finance Certificates of Askari Bank Limited, Bank Al-Habib Limited, Bank Alfalah Limited, United Bank Limited, Allied Bank Limited, Soneri Bank Limited, Pak Arab Fertilizers Limited. During the year, the Bank has incorporated “MCB Leasing” Closed Joint Stock Company in Azerbaijan to undertake leasing business.

3.5.3 ADVANCES

	2009	2008	2007	2006	2005
	-----Rupees in 000-----				
Loans, cash credits, running finance etc.					
In Pakistan	247,718,210	252,012,594	208,587,014	189,472,034	174,625,232
Outside Pakistan	7,788,234	8,910,253	6,989,947	5,172,803	3,755,036
Net investment in Finance Lease					
In Pakistan	3,867,943	5,358,475	6,904,399	6,082,806	3,897,184
Outside Pakistan	65,492	90,733	67,710	85,865	93,330
Bills discounted and purchased (excluding government treasury bills)					
Payable in Pakistan	4,519,520	2,364,211	2,949,228	1,761,803	2,386,952
Payable outside Pakistan	5,762,777	4,111,059	4,234,574	4,272,188	3,381,943
Advances – gross	269,722,176	27,2847,325	229,732,872	206,847,499	188,139,677
Provision against advances	(16,472,769)	(10,711,855)	(10,772,274)	(8,608,344)	(7,816,924)



Advances –net of provision	25,3249,407	262,135,470	218,960,598	198,239,155	180,322,753
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COMMENTS

Advances are stated net off specific and general provisions. Provisions are made in accordance with the requirements of Prudential Regulations issued by SBP and charged to the profit and loss account. These regulations prescribe an age based criteria (as supplemented by subjective evaluation of loans by the banks) for classification of non-performing loans and advances and computing provision / allowance there against. SBP also requires the bank to maintain general provision / allowance against consumer advances at specified percentage of such portfolio. Provision in respect of overseas branches is made in accordance with the respective central bank's requirements. Advances are written off where there are no realistic prospects of recovery

The bank reviews its loan portfolio to assess amount of non-performing loans and advances and provision required there against on a quarterly basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrower and requirements of prudential regulations are considered.

The amount of general provision against consumer advances is determined in accordance with the relevant prudential regulations and SBP directives. During the year, the management has changed the method of computing provision against non-performing loans consequent upon the revision in prudential regulations

During the year, the SBP vide its BSD Circular No. 7 dated October 12, 2007, has amended Prudential Regulation in respect of provisioning against non- performing advances. The revised regulations that are effective from December 31, 2007, prohibit consideration of forced sale value of collateral held by the bank in determining the amount of provision against non-performing advances except in case of housing finance. Accordingly, the above change in regulation has resulted in additional provisioning of Rs.16,472 million against non-performing advances and a consequent decrease in profit before tax for the same amount.



Further, the time period for classifying personal loans under consumer financing as "loss" has been reduced from 1 year to 180 days. This change has no material effect on these financial statements. In accordance with the directives of the SBP, the bank is required to maintain general provision against consumer portfolio equivalent to 1.5% in respect of secured advances and 5% in respect of unsecured advance. However, during the period, the SBP vide its letter no. BRD-04 (121-06)/2007/3707 dated April 19, 2007 has allowed the bank to maintain general provision for the Advance Salary Product at 3% instead of 5%. This represents amount charged off against loans and advances in respect of certain old schemes or where the bank holds no tangible security and principal amount disbursed was up to Rs 500,000. However, the bank reserves the right to recover such amount in the normal course of business.

During the year the SBP vide its BSD circular no 10 dated October 20, 2009 has amended prudential regulation in respect of provisioning against non performing advances. The revised regulation that are effective from September 30, 2009 has increase the percentage of benefit of forced sale value (FSV) from 30% to 40% for mortgage residential and commercial properties held as collateral against advances by the bank and aforesaid regulation also allowed the benefit of FSV in respect of mortgage industrial properties (land and building only).

The bank's concentration on private sector lending's decreased by 11%, while simultaneously increased in the public sector by 32%. A major increase was seen in advances made to the transport and storage segment of the industry that now stand at Rs. 59B, 22% of the total advances (12% in 2008).



4. CRITICAL ANALYSIS OF THEORETICAL CONCEPTS RELATING TO PRACTICAL EXPERIENCES

4.1 FINANCIAL ANALYSIS OF BALANCE SHEET

Balance Sheet of Five Years	2009	2008	2007	2006	2005
.....Rupees in 000.....					
Assets					
Cash and balances with treasury banks	38,774,871	39,631,172	39,683,883	32,465,976	23,665,549
Balances with other banks	6,009,993	4,043,100	3,807,519	6,577,017	1,469,333
Lending to financial Institutions	3,000,000	4,100,079	1,051,372	6,577,017	9,998,828
Investments-net	167,134,465	96,631,874	113,089,261	63,486,316	69,481,487
Advances-net	253,249,407	262,135,470	218,960,598	198,239,155	180,322,753
Operating Fixed assets	18,014,896	17,263,733	16,024,123	9,054,156	8,182,454
Deferred tax asset	-	-	-	172,373	191,967
Other assets	23,040,095	19,810,476	17,868,761	11,031,450	5,464,426
Total Assets	509,223,727	443,615,904	410,485,517	342,108,243	298,776,797



Liabilities

Bills payable	8,201,090	10,551,468	10,479,058	7,089,679	8,536,674
Borrowings	44,662,088	22,663,840	39,406,831	23,943,476	27,377,502
Deposits and other accounts	367,604,711	330,181,624	292,098,066	257,461,838	229,345,178
Sub-ordinated loans	-	-	479,232	1,597,440	1,598,080
Liabilities against assets subject to finance lease	-	-	-	-	-
Deferred tax liabilities	3,196,743	437,137	1,180,162	-	-
Other liabilities	15,819,082	21,345,781	11,722,493	11,171,496	8,611,600
Total Liabilities	439,483,714	385,179,850	355,365,842	301,263,929	275,469,034

Represented By:

Share capital	6,911,045	6,282,768	6,282,768	5,463,276	4,265,327
Reserves	38,385,760	36,768,765	34,000,638	24,662,426	13,408,005
Unappropriated profit	15,779,127	9,193,332	5,130,750	5,530,973	210,662
Surplus on revaluation of assets net of tax	8,664,081	6,191,189	9,705,519	5,187,639	5,423,769
Total Liabilities & share Capital	509,223,727	443,615,904	410,485,517	342,108,243	298,776,797



4.2 FINANCIAL ANALYSIS OF PROFIT & LOSS ACCOUNTS

Years	2009	2008	2007	2006	2005
	Rupees in 000.....				
Mark-up / return / interest Earned	51,616,007	40,043,824	31,786,595	25,778,061	17,756,232
Mark-up / return / interest Expensed	15,841,463	11,560,740	7,865,533	4,525,359	2,781,468
Net mark-up / interest income	35,774,544	28,483,084	23,921,062	21,252,702	14,974,764
Provision for diminution in value of investments	1,484,218	2,683,994	105,269	121,197	98,982
Provisions against loans & Advances	5,796,527	1,335,127	2,959,583	1,014,540	1,242,153
Bad debts written off directly	41,576	-	199	47,000	1,184
Net mark –up / return / interest income after Provisions	28,452,223	24,463,963	20,856,011	20,069,965	13,830,409
Non Mark – up / Interest income					



Fee, Commission and Brokerage Income	3,331,856	2,953,394	2,634,610	2,311,235	2,448,950
Dividend Income	459,741	617,554	632,300	811,801	480,344
Income from dealing in foreign Currencies	341,402	727,564	693,408	692,010	531,455
Gain on Investments	—	—	—	—	866,895
Gain on sale of securities-net	773,768	740,429	1,500,865	605,865	851
Unrealized loss on revaluation of investments classified as held for trading	—	(103,198)	(13,105)	—	—
Other income	736,118	855,697	563,213	570,505	1,084,756
Total non- mark-up / return / interest income	5,642,885	5,791,440	6,011,291	4,991,416	5,413,074
	34,095,108	30,255,403	26,867,302	25,061,381	198,243,480
Non Mark-up / Interest Expenses					
Administrative expenses	10,107,189	7,546,878	5,022,416	6,482,592	6,459,490
Reversal / Other provisions –net	142,824	23,135	(3,743)	11,411	(72,740)
Other charges	690,150	817,824	540,594	66,708	178,841



Total non -mark-up / interest Expenses	10,940,163	8,387,837	5,559,267	6,560,711	6,565,591
Compensation on delayed tax refunds	—	—	—	—	340,598
Profit Before Taxation	23,154,945	21,867,566	21,308,035	18,500,670	13,018,487
Taxation	7,659,648	6,492,966	6,042,473	6,358,272	4,096,072
Profit After Taxation	15,495,297	15,374,600	15,265,562	12,142,398	8,922,415
Unappropriated profit brought Forward	9,193,332	5,130,750	5,530,973	4,990,260	165,208
Transfer from surplus on revaluation of fixed assets – net of tax	22,324	21,319	11,855	32,166	83,749
Profit Available For Appropriation	24,710,953	20,526,669	20,808,390	17,164,824	9,171,372



4.3 RATIO ANALYSIS

ABBREVIATION USED IN FOLLOWING CALCULATIONS

WORDS	ABBREVIATION
Earning after tax	EAT
Net Markup income	NMI
Gross markup income	GMI
Total income	T.I
Operating income	OP
Operating expenses	OE
Total Shareholder Equity	TSE
Net Sales	N.S
Market price per share	MPS
Earnings per share	EPS
Earning before tax	EBT
Total outstanding shares	TOS
Book Value	BV
Dividend per share	DPS
Total debt	T.D
Total liabilities	T.L



CALCULATION OF RATIOS

Ratio Type	Formula	2009	2008	2007	2006	2005
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PROFITABILITY RATIOS

Profit before tax ratio	PBT/T.I	55.91%	63.80%	70.16%	70.49%	62.80%
Net profit after tax	EAT/IE	44.86%	54.60%	67.03%	71.76%	73.37%
Gross spread ratio	NIM/GMI	69.31%	71.13%	75.26%	82.44%	84.34%
Income Expense Ratio	T.I/O.P	3.84*	4.10*	5.06*	4.01*	3.12*
Return on Equity Ratio (ROE)	EAT/TSE	27.35%	31.49%	37.66%	45.00%	64.85%
Return on Asset Ratio (ROA)	EAT/T.A	3.25%	3.60%	4.065	3.79%	3.20%
Loan/deposit ratio	Loan/Deposit	68.89%	79.39%	74.96%	76.99%	78.62%

ACTIVITY RATIOS

Total asset Turnover	T.I/T.A	0.11	0.10	0.09	0.08	0.07
Fixed Asset Turnover	T.I/F.A	3.17	2.65	2.35	3.39	2.83

Earnings per share (EPS) before tax	PBT/TOS	33.50	31.64	30.83	26.77	18.88
Earnings per share (EPS) after tax	EAT/TOS	22.42	22.25	22.09	17.57	12.91
Book Value per Share	TSE/TOS	88.37	75.60	65.71	51.59	26.49

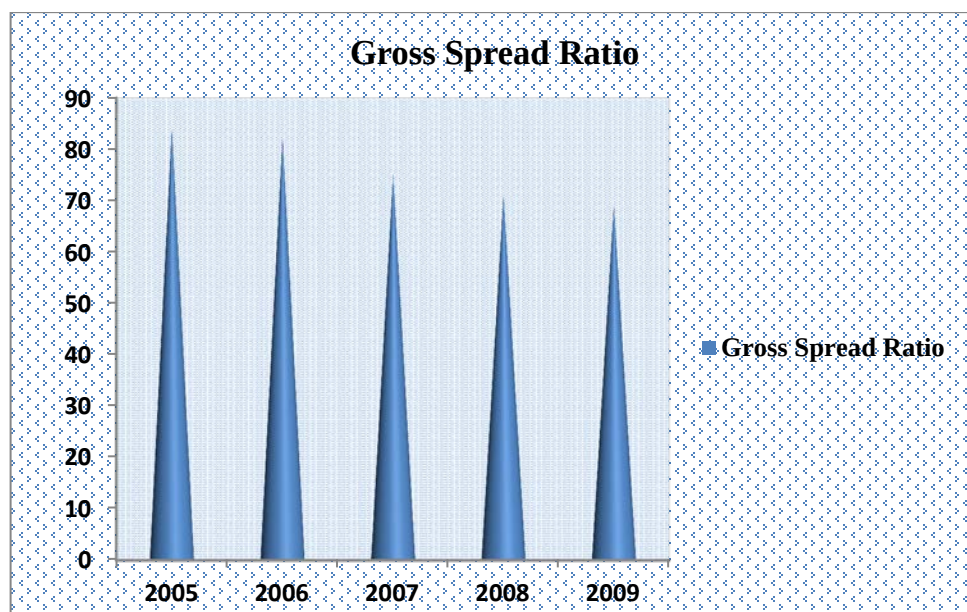
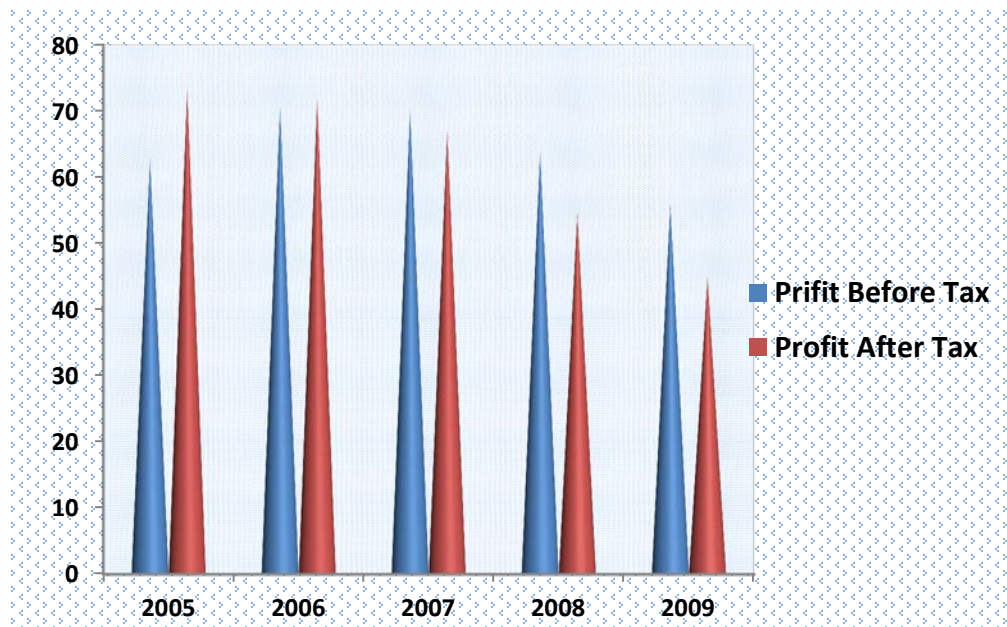
Debt-to-Equity Ratio	T.D/TSE	6.3	6.59	6.43	7.47	11.81
Debt Ratio/Debt to Total Assets	T.D/T.A	0.86	0.86	0.86	0.88	0.92

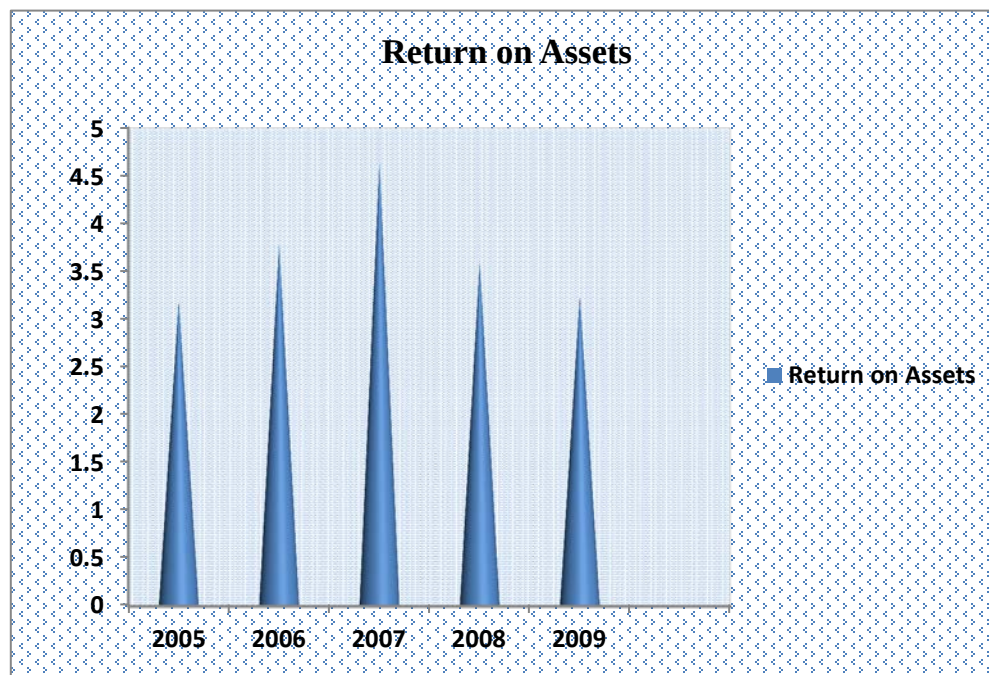
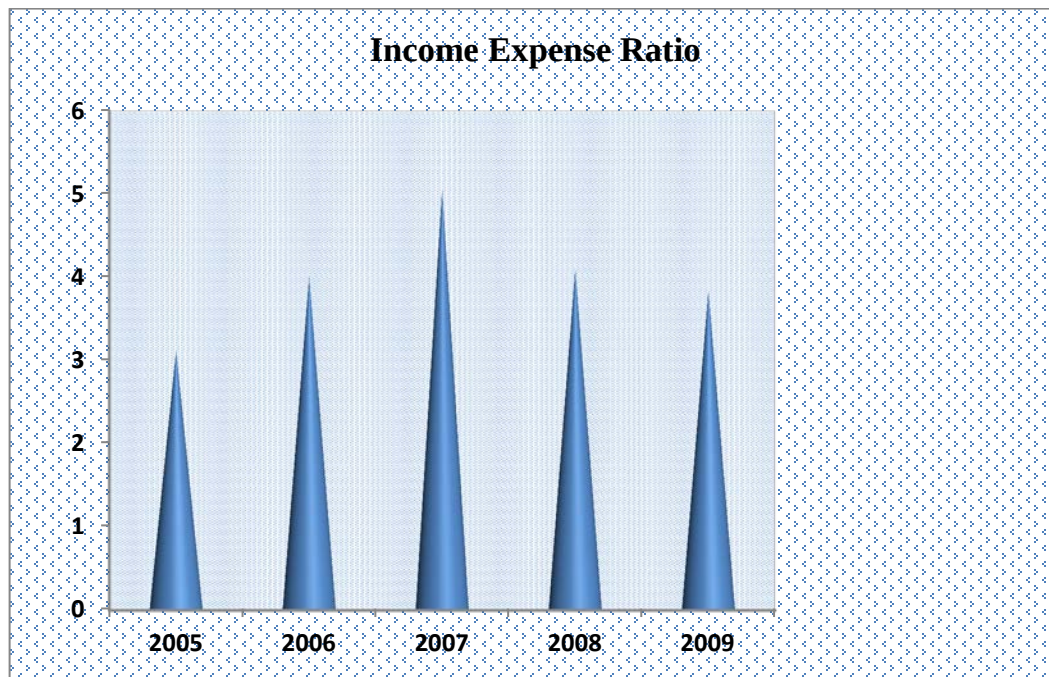
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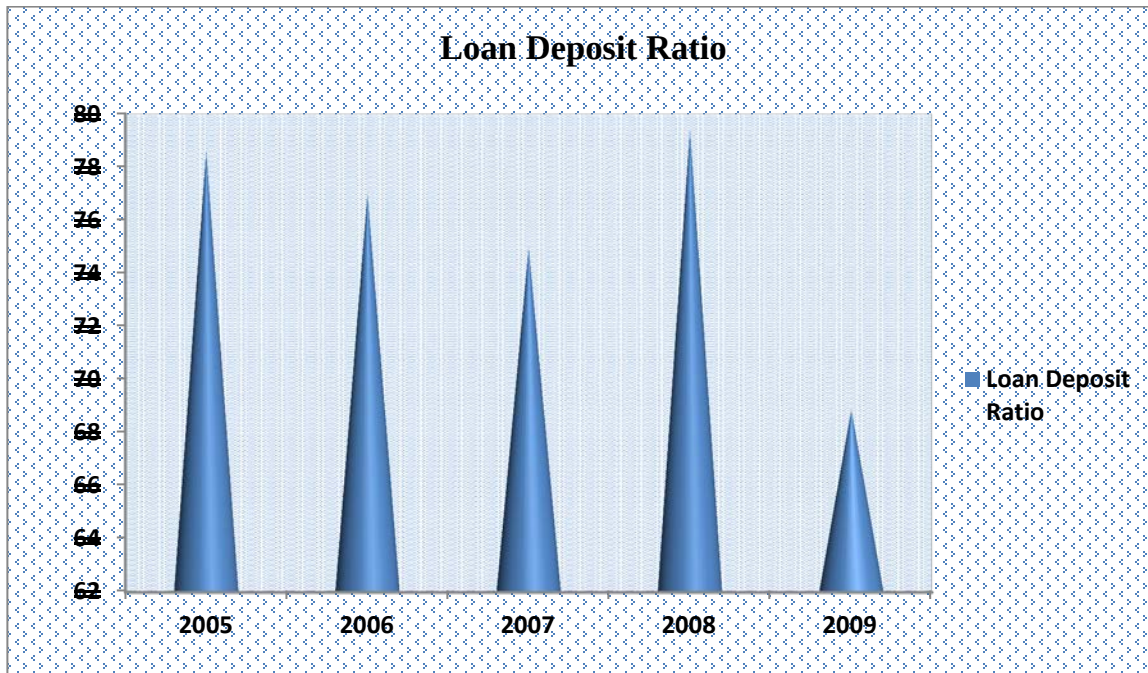
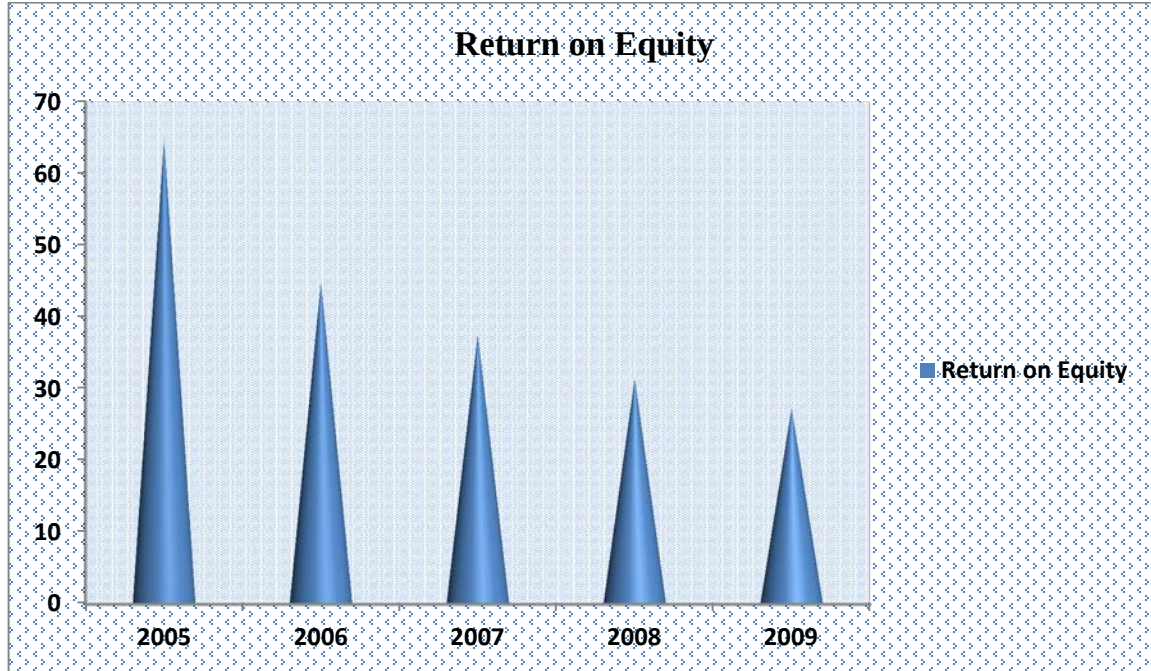


4.3.1 GRAPHICAL REPRESENTATION OF RATIOS

● PROFITABILITY RATIOS

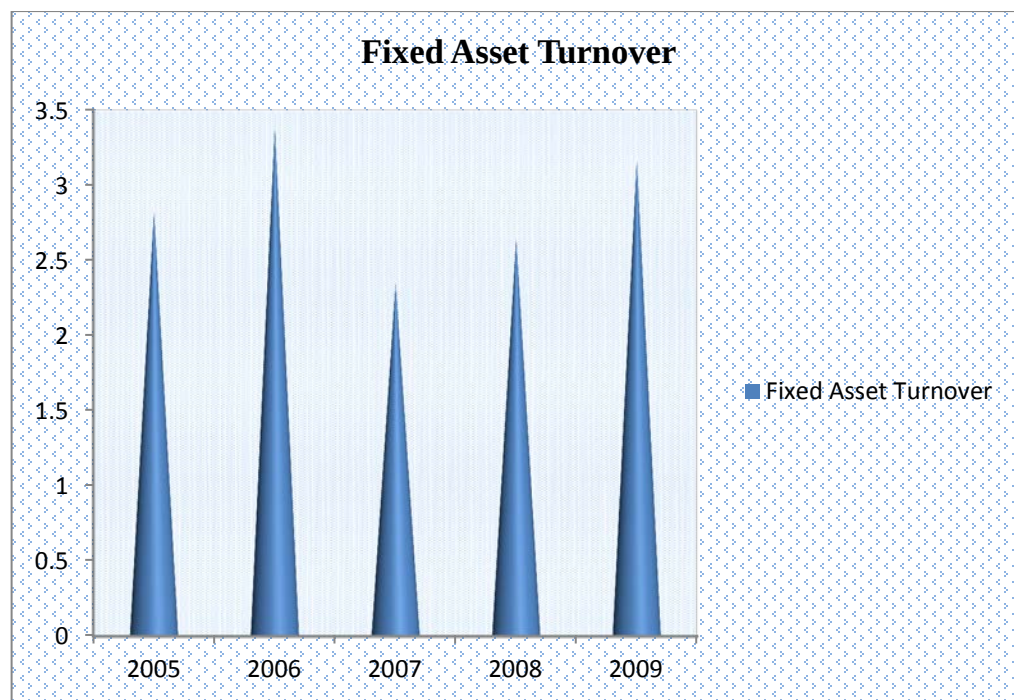
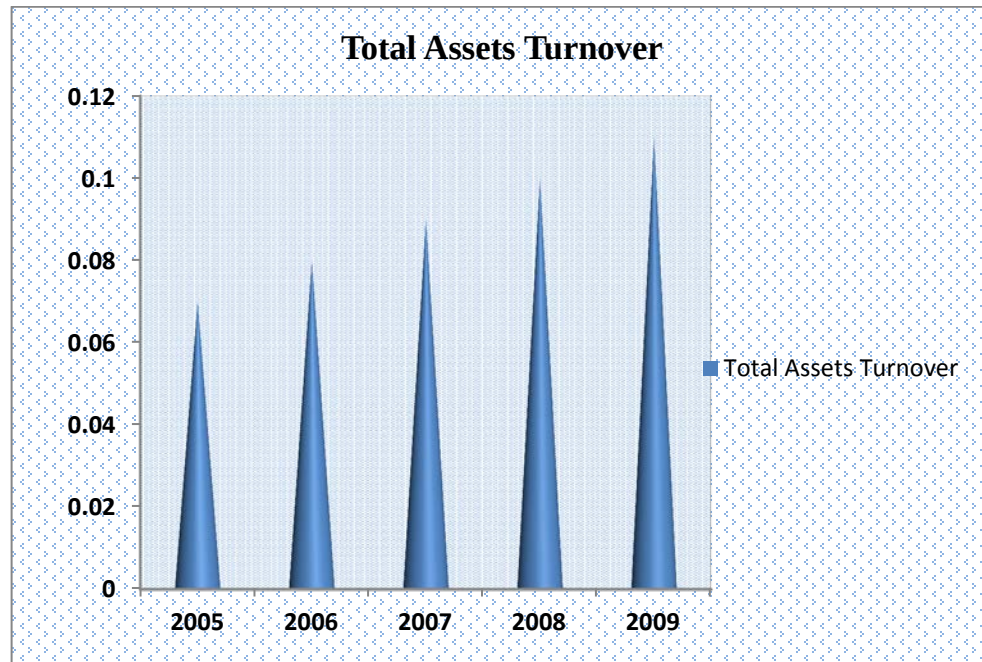






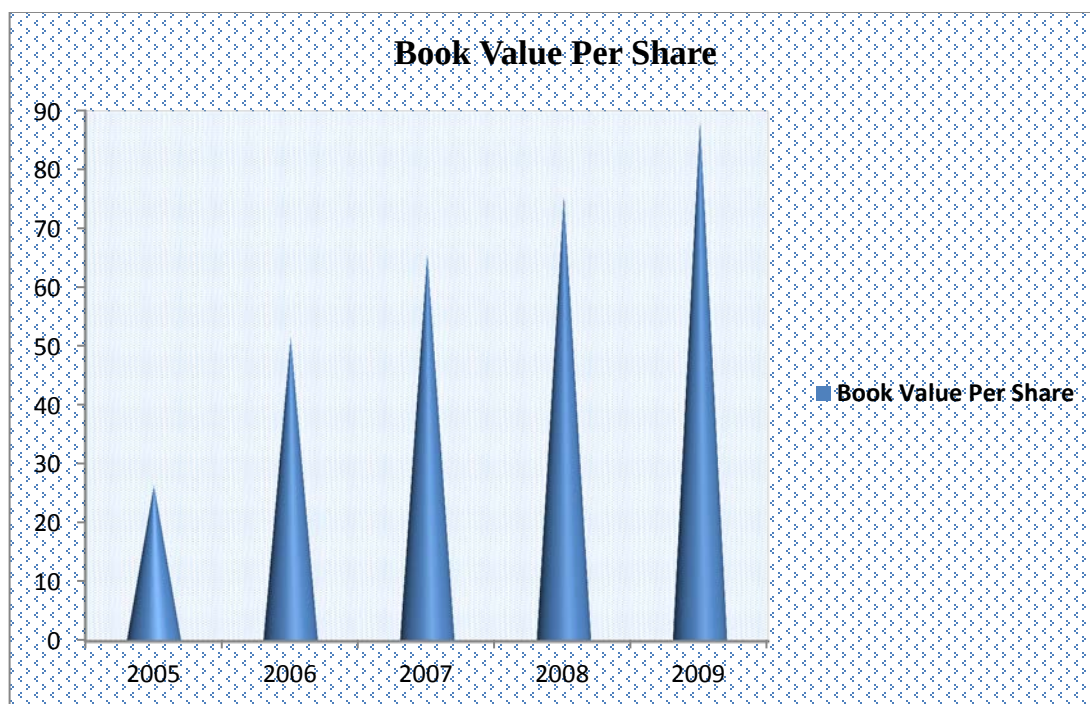
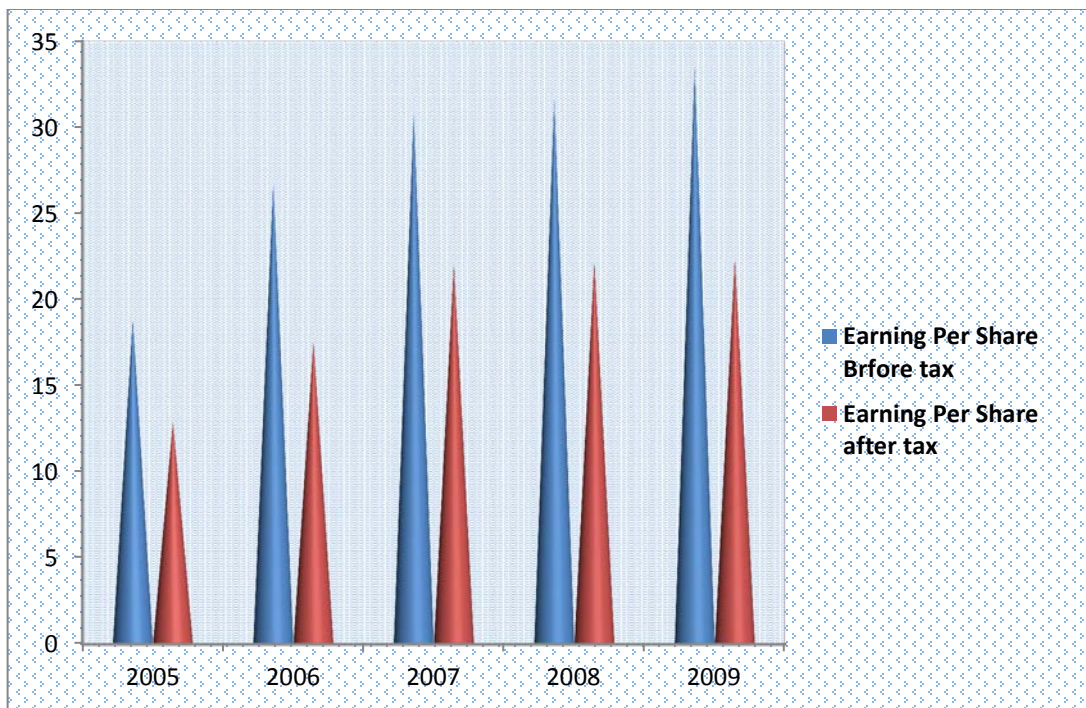


● ACTIVITY RATIOS



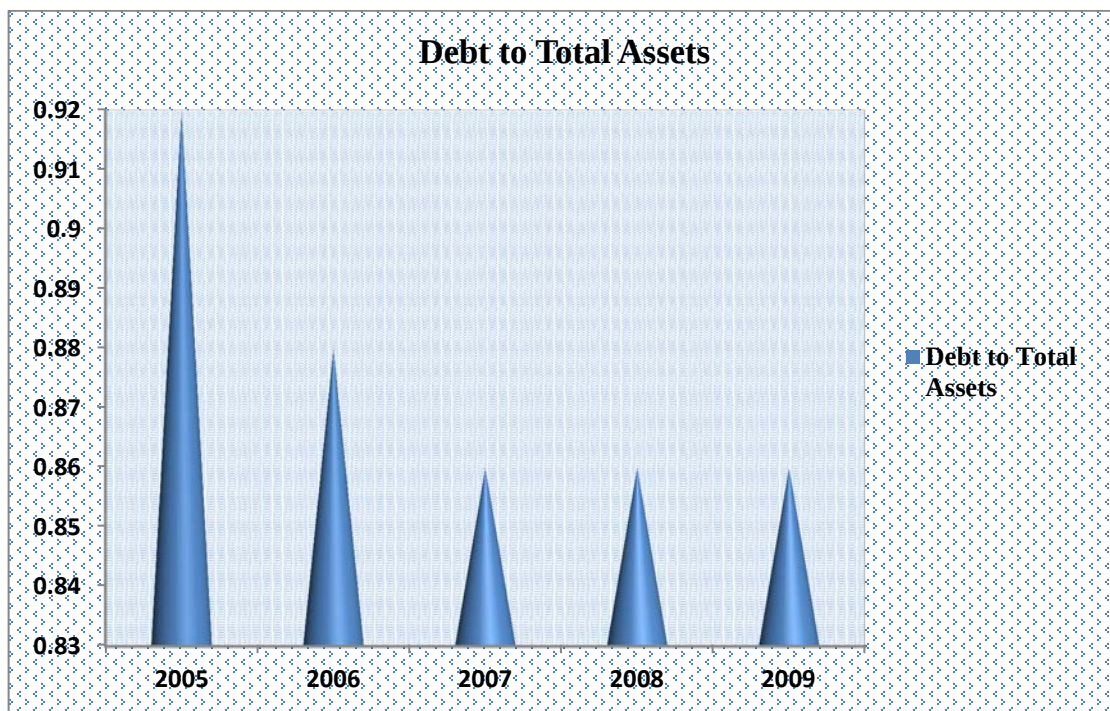
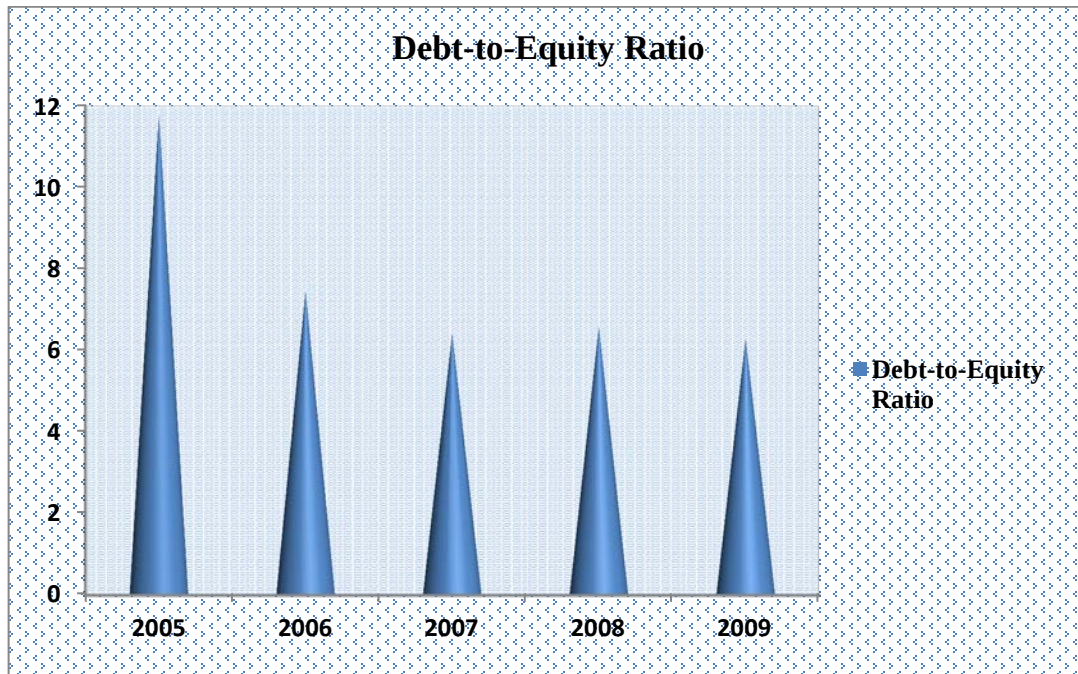


● MARKET RATIOS





● LEVERAGE RATIOS





4.3.2 EXPLANATION OF FINANCIAL RATIOS

● PROFITABILITY RATIOS

Profitability ratios measure a company's financial performance and its ability to increase its shareholders value and generate profits. Profitability ratios provide insight into the profits made by the company in relation to its size, assets, and sales and also measure the company's performance in relation to itself. Having past data as a benchmark, the firm can start to make conclusions as to why profitability is increasing or decreasing.

The **net profit margin** Net profit after tax measure profit remaining after deducting all expenses including tax. It should be maximum. Markup/return/interest earned and non-markup interest income increased throughout the period i.e. year 2005 up to year 2009. While markup/return/interest expensed was increased throughout from 2005 as a result of net profit after tax ratio decreasing. The income & expenses have direct relation, that's why it affects net profit ratio.

The **gross spread ratio** relationship between Net Markup income & Gross markup income. Gross spread ratio is continuously increasing from 2005 to 2009.

Income expense ratio as shows the percentage of expenses it should be lower. In bank income expense ratio has decreasing trend from 2007 to 2009.

Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. A company with high return on equity is more successful to generate cash internally. But in this bank return on equity is throughout decreasing trend (2005 to 2009) due to increase in borrowing /debt its means the bank generate low profit with the money shareholder have invested So if the firm takes on too much debt, the cost of debt rises as creditors demand a higher risk premium, and ROE decreases. It is generally accepted that a company with a higher ROE is a better



investment than one with a lower ROE since it has a stronger ability to generate cash flows internally; however, this is not completely accurate.

Return on assets (ROA) return on assets of commercial banks reflects the effectiveness and efficiency of the use of resources is the embodiment of its operating efficiency and management level of the important comprehensive index. In year 2007 ROA is higher in all five years due to increase in earnings after tax so the bank is better at converting its investment into profit. But in the year 2009 return on asset is decrease because net income in this year is also decrease.

Loan deposit ratio if the ratio is too high, it means that banks might not have enough liquidity to cover any unforeseen fund requirements; if the ratio is too low, banks may not be earning as much as they could be. So in this bank in year 2009 this ratio is decreased as compared with previous year.

● ACTIVITY RATIOS

These ratios also known as efficiency or turnover ratios, measure how effectively the Organization is using its assets.

Total asset turnover represents the amount of revenue generated by a company as a result of its assets on hand. One general rule of thumb is that the higher a company's asset turnover, the lower the profit margins, since the company is able to sell more products at a cheaper rate. In this bank total assets turnover ratio is increasing trend throughout (2005 to 2009) because total assets are increase in every year

Fixed assets turnover ratio establishes a relationship between net sales and net fixed assets. This ratio indicates how well the fixed assets are being utilized. This ratio expresses the number to times the fixed assets are being turned over in a stated period. It measures the efficiency with which fixed assets are employed. A high ratio means a high rate of efficiency of utilization of fixed asset and low ratio means improper use of the assets. In this



bank fixed asset turnover ratio have increasing trend throughout In year 2007 this ratio is decrease means the bank have not utilized its fixed assert properly

● MARKET RATIOS

These ratios are calculated to analyze the market position of a business

Earnings per share (EPS) are the amount of earnings per each outstanding share of a company's stock. In the bank earnings per share ratio are showing increasing trend from 2005 due to increase in earnings after tax. It is an accepted fact that earnings per share ratio can help us know the financial strength of a company. The more the earnings per share ratio, more would be the profitability of the company. Earnings per Share represent the measurement, which is used to calculate earnings. The rise in prices of MCB shares and higher EPS calculates a stronger Price to Earnings (P/E) ratio Rs. 9.80, from 5.66 in 2008

Book value per share shows value of share as per books. It should be maximum. Book value per share of the bank has increased due to increase in shareholders' equity

● LEVERAGE RATIOS

Debt to Total Asset measure of a firm assets financed by debt and, therefore, a measure of its financial risk. The lower this ratio, generally the better off the firm. The higher the ratio, the greater risk will be associated with the firm's operation. In addition, high debt to assets ratio may indicate low borrowing capacity of a firm, which in turn will lower the firm's financial flexibility. Like all financial ratios, a company's debt ratio should be compared with their industry average or other competing firms.

The debt/asset ratio shows the proportion of a company's assets which are financed through debt. If the ratio is less than 1%, most of the company's assets are financed through equity. If



the ratio is greater than 1%, most of the company's assets are financed through debt. In this bank years (2005 to 2009) this ratio have been less than 1% so this bank assets are finance through equity

Debt To Equity Ratio It indicate how much the company is leverage (in debt) by comparing what is owned, if the ratio is greater than one the majority of assets are finance through debt, if answer is smaller than one assets are primarily finance through equity This ratio of bank throughout the years 2005 to 2009 greater than one.



4.4 HORIZONTAL ANALYSIS OF BALANCES SHEETS

YEARS	2009	2008	2007	2006	2005
Assets					
Cash and balances with treasury banks	163%	67%	67%	37%	100%
Balances with other banks	309%	199%	159%	348%	100%
Lending to financial institutions	-70%	-59%	-90%	110%	100%
Investments	140%	39%	36%	-9%	100%
Advances	40%	45%	21%	10%	100%
Operating Fixed assets	220%	110%	96%	11%	100%
Deferred tax asset – net	-	-	-	-10%	100%
Other assets	321%	262%	227%	102%	100%
Total Assets	70%	53%	37%	15%	100%
Liabilities					
Bills payable	-4%	23%	22%	-17%	100%
Borrowings	63%	-17%	44%	-13%	100%
Deposits and other accounts	60%	44%	27%	12%	100%
Sub-ordinated loans	-	-	-70%	0%	100%
Deferred tax liabilities - net	171%	-63%	100%	-	-
Other liabilities	115%	148%	36%	30%	100%
Total Liabilities	59%	40%	9%	9%	100%



Represented By:

Share capital	62%	47%	47%	28%	100%
Reserves	186%	174%	153%	84%	100%
Unappropriate profit	7378%	4256%	2331%	2526%	100%
Surplus on revaluation of assets- net of tax	60%	14%	79%	-4%	100%
Total Liabilities & share Capital				75%	100%

COMMENTS ON HORIZONTAL ANALYSIS OF BALANCE SHEET

TOTAL ASSETS

Total assets of Muslim Commercial Bank of Pakistan have increased from Year 2005 to year 2009.

As compared to 2005

In Year 2006 there is increase of 15 % in total assets of the bank, this increase due to both local currency current account and local currency deposit account with the treasury banks maintain with SBP. The other reason of this increase is total assets is due to increase the Lending to financial institution is 110% lending include call money lending and repurchase agreement .Advances also increase 10% in the form of cash credit ,running finance and in the form of loans and other assets also increase by 102% .

In year 2007 total asset increase by 37% as compared to 2005 and 22% increase as compared to 2006. This increase is because of 67% increase in cash and balances with treasury banks, 159% increase in balances with other banks. The other reason of this increase in total assets increase in 21% Advances as compared to 2005 and 11% increase as compared to 2006 due to increase in loans , cash credits and running finance .Investment increase by 36% is 2007 as compared to 2005 due to major increase in market treasury bills .Fixed assets also increase in 2007 is 96% as compared to 2005 due to capital work in



progress and property and equipment ,other assets also increase 227% in 2007 as compared to 2005 and this percentage increase is 125% in 2006 this major increase due to accrued income in local currency and accrued income in foreign currencies.

In year 2008 total assets increase is 53% as compared to 2005 and this major increase due to 67% increase in both local and foreign currency cash and balances with the treasury banks , other assets increase in 262% in 2008 as compared to 2005 this major increase due to accrued income in local currency and accrued income in foreign currencies .Investment also increase is 39% due to increase in market treasury bills ,fixed assets also increase in 2008 is 110% as compared to 2005 due to capital work in progress and property and equipment. Advances also increase 45% in the form of cash credit, running finance and in the form of loans.

In year 2009 total assets increase is 70% as compared to 2005. This major increase due to 163% increases in local and foreign currency cash and balance with treasury bank in hand. Investment increase 140% in 2009 as compared to 2005 due to major increase is market treasury bills and Pakistan investment bonds. Fixed assets also increase in 2009 is 220% as compared to 2005 due to capital work in progress and property and equipment . lending decrease 70% as compared to base year, Advances are also increase 40% in the form of cash credit ,running finance and in the form of loans ,other asset also increase 321% in 2009 as compared to 2005 this major increase due to accrued income in local currency and accrued income in foreign currencies.

TOTAL LIABILITIES

As compared to 2005

In year 2006 total liabilities have increased 9% because other liabilities increase 30% in 2006 although 17% bill payable decreased. Borrowing decrease by 13%. These bill payable in Pakistan and outside Pakistan. These borrowings include borrowings from SBP. 12% increase in deposits and other accounts due to major increase in fixed, saving, current accounts remunerative and non-remunerative.



In year 2007 total liabilities have increased 9% as compared to 2005 and as compared to 2006 there is no increase. 44% increase borrowing as compared to 2005 these borrowing include secured and unsecured This is because of secured borrowings from the SBP under export refinance scheme and long term financing under export oriented While call borrowings (unsecured) also increased significantly projects have increased, deposit and other account 27% increase as compared to 2005 deposit include customers deposit and other financial institution deposit and other liabilities 36% increase.

In year 2008 total liabilities have increased by 40% as compared to base year and this increase 31 %more than as compared to 2007 this major increase due to 23% bill payable increase These bills are payable in Pakistan and outside Pakistan, deposit and other account 44% increase as compared to 2005 due to customers deposit and other financial institution deposit are increase and other liabilities 148% increase as compared to 2005

In year 2009 total liabilities also increase 59% as compared to base year and this increase 19% more than as compared to 2008 due to major increase in 63% in borrowing, the bank has entered into agreement with SBP with extending export finance to customers .As per the terms of agreement, the bank has granted SBP the right to recover the outstanding amount from the bank at the date of maturity of finance direct debiting the current account maintained by the bank with SBP. Deposit and other account 60% increase as compared to 2005 due to customers deposit and other financial institution deposit are increase and other liabilities 115% increase as compared to 2005.



TOTAL SHARE CAPITAL

As compared to 2005

The Share capital refers to the portion of a Bank's equity that has been obtained by trading stock to a shareholder for cash or an equivalent item of capital value. The share capital of year 2006 Muslim Commercial Bank of Pakistan shows increasing trend this 28% increase due to reserve increase 84% and inappropriate profit increase 2526%

In year 2007 share capital increase 47 % as compared to 2005. This increase is 19% more than in 2006, reserve also increase 153%. Major change occur in inappropriate profit which is increase by 2331% more than in 2005, Also an increase of 79 % of surplus on revaluation of assets-net. In 2008 increase in share capital is 47% as compared to 2005, due to increase in reserve 174% and major increase in inappropriate profit by 4256% as compared to base year, this increase is 1925% more than in 2007.

In 2009 share capital increase 62% as compared to 2005; this increase is due to increase in share capital issued for cash and as bonus shares, increase in reserve 186% and inappropriate profit 7378%.



4.5 HORIZONTAL ANALYSIS OF PROFIT & LOSS ACCOUNT

YEARS	2009	2008	2007	2006	2005
Mark-up / return / interest earned	190%	125%	79%	45%	100%
Mark-up / return / interest expensed	469%	315%	183%	63%	100%
Net mark-up / interest income	139%	90%	60%	42%	100%
Provision for diminution in value of investments	1500%	2711%	106%	-22%	-100%
Provision against loan & advances	366%	7%	-138%	-18%	100%
Bad debts written off directly	3411%	-	-83%	3870%	100%
Net mark –up / return / interest income after Provisions	103%	76%	50%	44%	100%
Non Mark – up / Interest Income	-2%	1%	12%	-13%	100%
Fee, Commission and brokerage income	36%	20%	8%	-6%	100%
Dividend income	-4%	28%	32%	69%	100%
Income from dealing in foreign currencies	-36%	37%	30%	30%	100%



Gain on sale of securities	-11%	-14%	73%	30%	100%
Unrealized loss on revaluation of investments	-	687%	100%	-	-
Other income	-32%	-21%	-48%	-47%	100%
Total non-mark-up / return /interest income	4%	7%	11%	-8%	100%
Non Mark-up / Interest Expenses					
Administrative expenses	56%	17%	-22%	0%	100%
Other provisions –net	196%	32%	-5%	16%	-100%
Other charges	286%	357%	202%	-63%	100%
Total non- mark-up / interest expenses	63%	26%	-10%	0%	100%
Profit Before Taxation	63%	68%	64%	42%	100%
Taxation	87%	58%	47%	55%	100%
Profit After Taxation	74%	72%	71%	36%	100%

COMMENTS ON HORIZONTAL ANALYSIS OF PROFIT & LOSS ACCOUNTS

As compared to 2005

In year 2006 profit increase by 36% as compared to 2005. This major change due to Mark-up /interest earned are increase 45% in 2006 as compared to 2005 and this increase due to increase in loans and advances, deposit with customers and financial institution and on securities purchased under resale agreements.

Total interest income are decrease 8% due to Fee, Commission and brokerage income decrease 6%, Other income decrease 47% in year 2006 as compared to 2005 dividend



income increase 69% and income from dealing in foreign currencies 30% and this increase due to rent on property, profit on sale of property and equipment. Net markup/interest income is increased by 42% while interest expense have increased by 63% due to increase in deposits interest expense, on securities sold on repurchase agreement, on long term and other short term borrowings, on securities sold under repurchase agreements. Profit before taxation increase 42%, taxes increase by 55%. Profit after tax has increase 36% in this year.

In year 2007 profit increase by 71% as compared to year 2005. This increase in profit is 35% greater than in 2006. This major change due to Mark-up/interest earned increase 79% as compared to 2005 and 34% increase to 2006 due to loans and advances from customers and financial institutions and on investment in available for sale securities and associates, on deposits with financial institutions, on discount income and on securities purchased under resale agreements. Net markup/interest income is increase by 60% which is 18% more than in 2006 while interest expense also increase 183% due to securities sold under repurchase agreement, short term borrowing and long term borrowing . Provision against loans advances decrease 138% as compared to year 2005. Interest income after provision are also increase 50% in this year. Other income decrease 48% in 2007 as compared to 2005 because in 2007 profit on sale of property and equipment are decreases. Total interest income 11% increase as compared to 2005 due to gain on sale of securities increase 73%, fee, commission and brokerage income and dividend income are increase , total interest expense decrease 10% in this year .Profit before taxation increase 64% as compared to 2005 .This increase is 22% more than in 2006. Taxes increase by 47%. Profit after tax has increase 71%.

Mark-up/interest earned increase 125 % in 2008 this increase due to increase in interest earned on loans and advances from customers and financial institutions, and interest earned on investment .Net markup/Interest income increased 90% as compared to 2005 while interest expense increase 315% due to major increase in interest expense on deposits, on securities sold under repurchase agreements and on long term borrowings. In this year other income also increase due to rent on property, profit on sale of property and equipment Total



income increase 7% as compare to 2005 this change due to increase fee, commission and brokerage income is 20% and dividend income is 28% increase, income from dealing in foreign currencies increase 37% Profit before taxation increased by 68% as compare to 2005 .Taxes increase by 58%. Profit after taxation is increase by 72%.

In year 2009 Mark-up/interest earned increase 190 % in this year this increase due to increase in interest earned on loans and advances from customers and financial institutions, and interest earned on investment .Net markup /Interest income increased 139% as compared to 2005 .while interest expense increase 469% due to major increase in interest expense on deposits, on securities sold under repurchase agreements and on long term borrowings. Total income increase 4% as compare to 2005 this increase due to increase fee, commission and brokerage income is 36% and dividend income is 4% decrease, income from dealing in foreign currencies decrease 36%.Profit before taxation increased by 63% as compare to 2005. Taxes increased by 87%. Profit after taxation increase by 74%.



4.6 VERTICAL ANALYSIS

OF

BALANCES SHEET

YEARS	2009	2008	2007	2006	2005
	Rupees in 000.....				
Assets					
Cash and balances with treasury banks	8%	9%	10%	9%	8%
Balances with other banks	1%	1%	1%	2%	0%
Lending to financial institutions	1%	1%	0%	6%	3%
Investments	33%	22%	28%	19%	23%
Advances	50%	59%	53%	58%	60%
Operating Fixed assets	4%	4%	4%	3%	3%
Deferred tax asset	-	-	-	0%	0%
Other assets	5%	4%	4%	3%	2%
Total Assets	100%	100%	100%	100%	100%
Liabilities					
Bills payable	2%	2%	3%	2%	3%
Borrowings from financial institution	9%	5%	10%	7%	9%



Deposits and other accounts	72%	74%	71%	75%	77%
Sub-ordinated loans	-	-	-	0%	0%
Deferred tax liabilities	1%	0%	0%	-	-
Other liabilities	3%	5%	3%	3%	3%
Total Liabilities	86%	87%	87%	88%	92%
Represented By:					
Share capital	1%	1%	2%	2%	1%
Reserves	8%	8%	8%	7%	4%
Unappropriated profit	3%	2%	1%	2%	0%
Surplus on revaluation of assets- net of tax	2%	1%	2%	2%	2%
	14%	13%	13%	12%	8%
Total Liabilities & share Capital	100%	100%	100%	100%	100%

COMMENTS ON VERTICAL ANALYSIS OF BALANCE SHEET

TOTAL ASSETS

Here Total Assets includes: Current Assets + Fixed Assets + Other Assets. Where Current Assets include: All assets excluding Fixed Assets and Other Assets Current assets of the bank has same in 2005 and 2006 is 94% because cash and balance with treasury bank and balance with other banks has increase in 2006. Investment are decrease in 2006 but lending to financial institution increase in this year and advances are decrease 2% in this



year If current assets fall short more than this in future, then the bank will have to scramble for other sources of short-term funding, either by taking debt.

In 2007 current assets are decrease because balance with other banks and advances are decrease but in this way cash utilized in purchasing operating fixed assets are 1% increase as compared to 2006 fixed asset are increase is due to increase in capital work-in-progress, property and equipment. Fixed assets are the long-term base of the bank's operation strategy, represented by all the equipment, facilities, IT infrastructure and long-term contracts the bank has invested in to conduct business. These assets are the revenue generators, which together form the base from which the company functions from week to week. So these are also well handled by the bank.

In 2008 and 2009 current assets are also decrease due to shortage of cash and balance with treasury bank and balances with others banks but in the other hand cash utilized to purchase other asset This increase in other assets is due to increase in Income / mark-up accrued in local currency and income / mark-up accrued in foreign currency

TOTAL LIABILITIES

Total liabilities of the MCB have decreased in year 2006 as compared to 2005 but this decrease is not too much high.

In year 2007 total liabilities have decreased because in this year deposit are decrease Money deposited with a bank becomes a liability of the bank, because the bank has an obligation to pay the depositor the money deposited; usually on demand, although bill payable, borrowing slightly increase. (The money deposited is an asset for the depositor; but this asset will not be recorded by the bank because it is not the bank's asset. This shows that bank's need more debt from other financial institutions from 2005 to 2007 especially.



Total liabilities have sustained in 2008 as compared with 2007. This increase is due to increase in others liabilities, deposits. Borrowings from financial institutions decrease. While these borrowings have been made from SBP for providing financing facilities to customers for import of machinery, plant, equipment the bank has entered into agreement with the SBP for extending export finance to customers. And these bills are payable in Pakistan and outside Pakistan. However there is no major increase found in the bank's liabilities portion. Liabilities increase also shows that bank's need more funds in these years to complete its higher operational activities and year 2009 total liabilities also decrease because in this year bill payable and borrowing are decrease and deposit are slightly increase

OWNER'S EQUITY OR SHARE CAPITAL

Share capital or issued capital or capital stock refers to the portion of a company's equity that has been obtained (or will be obtained) by trading stock to a shareholder for cash or an equivalent item of capital value. Share capital has increase from 2005 to 2006 this increase is due to unappropriate profit are increase , in 2007 share capital are sustained due to reserve are increase.

In 2008 share capital are decrease because reserve and unappropriate profit not increased in the year 2009 share capital are sustained due to unappropriate profit reserves are stable not increasing neither decreasing.



4.7 VERTICAL ANALYSIS OF PROFIT & LOSS ACCOUNTS

	2009	2008	2007	2006	2005
	Rupees in 000.....				
Mark-up / return / interest earned	90%	87%	84%	84%	76%
Mark-up / return / interest expensed	-28%	-25%	-21%	-15%	-12%
Net mark-up / interest income	62%	62%	63%	69%	64%
Provision for diminution in value of investments	3.55%	8.81%	0.46%	0.65%	-
Provision against Loans & advances	13.87%	4.38%	13.13%	5.44%	8.5%
Bad debts written off directly	0.09%	-	0%	0.25%	0%
Net mark –up / return / interest income after Provisions	49%	53%	55%	65%	59%
Non Mark – up / Interest Income					
Fee, Commission and brokerage income	5.11%	6.44%	6.97%	7.51%	10.56%
Dividend income	0.96%	1.34%	1.67%	2.63%	2.07%
Income from dealing in foreign currencies	0.59%	1.58%	1.83%	2.24%	0.59%
Gain on sale of securities	1.35%	1.61%	3.97%	1.96%	3.74%
Unrealized loss on revaluation of investments	-	-0.22%	-	-	-
Other income	1.28%	1.86%	1.49%	1.85%	4.68%



Total non-mark-up / return / interest income	10%	13%	17%	16%	24%
Non Mark-up / Interest Expenses	-19%	-18%	-16%	-21%	-28%
Administrative expenses	24%	24.77%	22.28%	34.8%	44.28%
Other provisions / write offs – net	0.34%	0.07%	0.01%	0.06%	-
Other charges	1.76%	2.68%	2.39%	0.35%	1.22%
Total non-mark-up / interest expenses					
Profit Before Taxation	40%	48%	56%	60%	55%
Taxation	-13%	-14%	-16%	-21%	-17%
Profit After Taxation	27%	34%	40%	39%	38%

COMMENTS ON VERTICAL ANALYSIS OF PROFIT & LOSS ACCOUNTS

Net markup /interest income have decreased from 69% to 62% from 2006 to 2009. In 2009 interest income is 90% while this percentage is 84% in 2006 and 72% in 2005. Net markup / return / interest income after provisions have also decreased but this decrease is due to increase in provision against loan and advances by 13% in 2009.

Interest expend, markup also increase from 12% to 28% this is directly link with interest earned, if interest / markup earned increase interest expense increase.

Total income has increasing trend in 2005 to 2009. This increase is due to major increase in interest earned. Administrative expenses have decreased from 2005 to 2009. This decrease in administrative expenses due to better management of the bank. Profit before taxation is 40% in 2009 while this percentage is 55%in 2005. Profit after tax has a trend of decrease. In 2005 profit after tax has 38% while this percentage is 27% in 2009.



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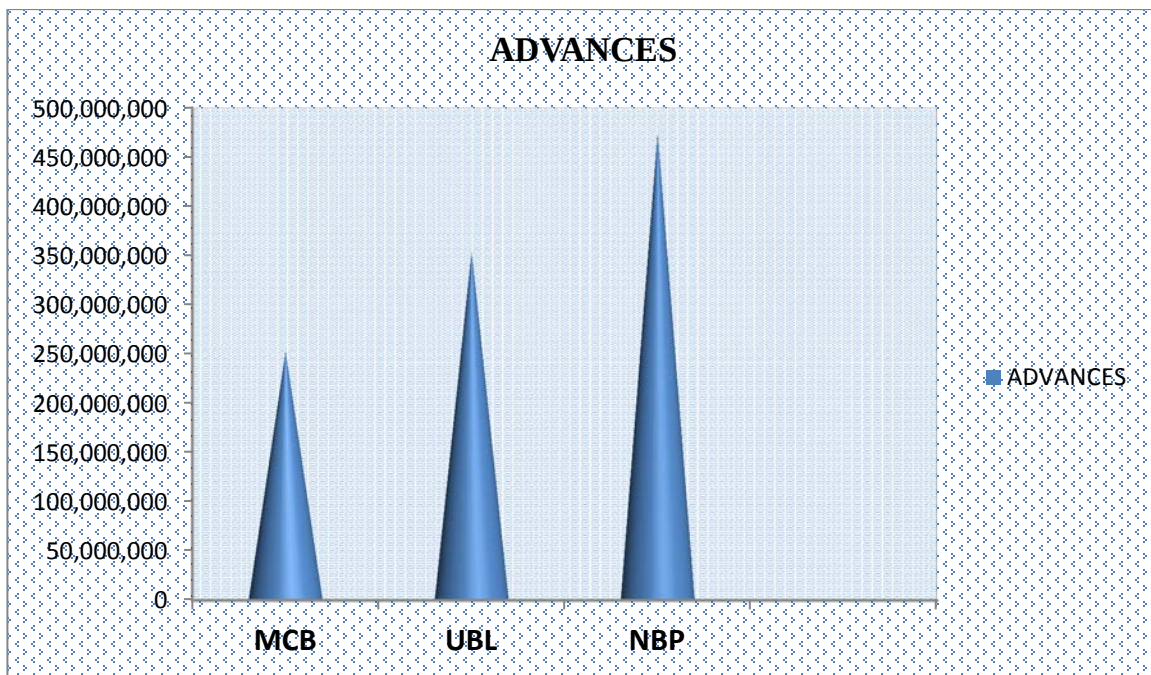
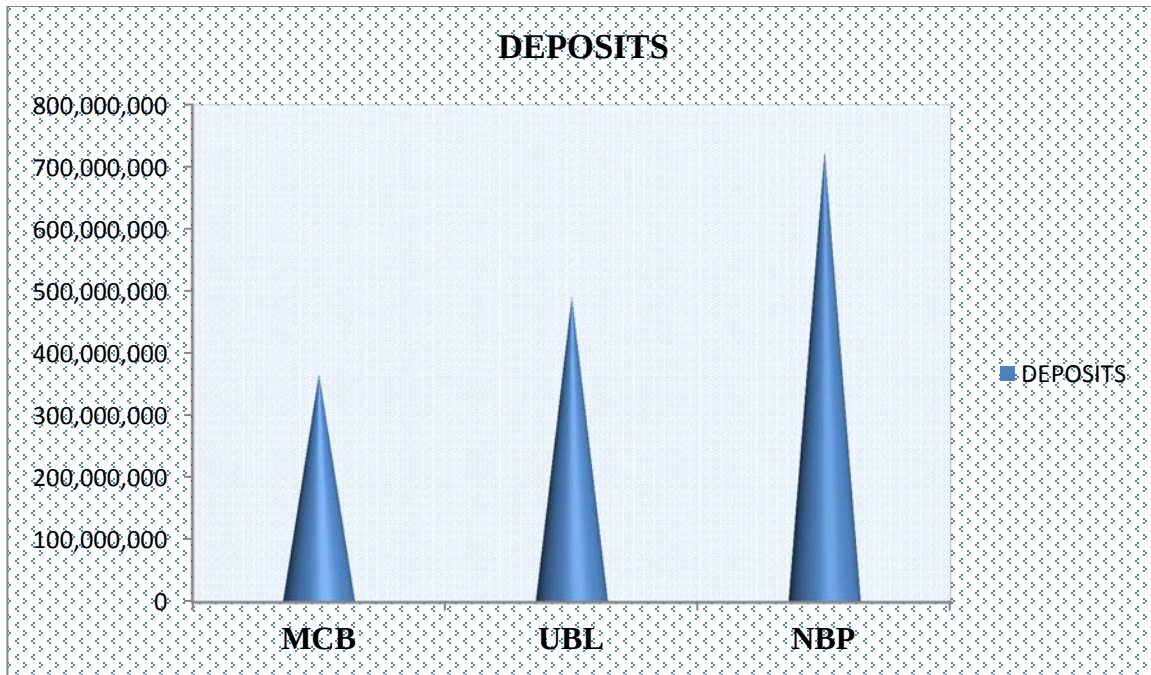
4.8 ORGANIZATIONAL ANALYSIS (COMPARISON WITH OTHER BANKS)

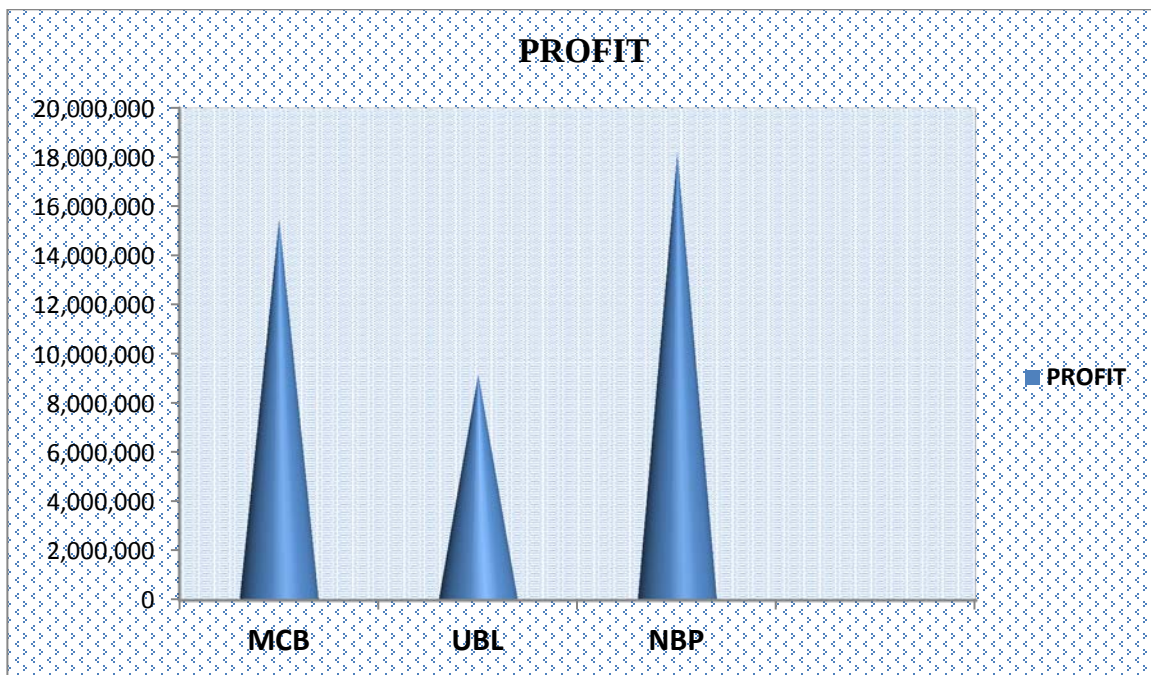
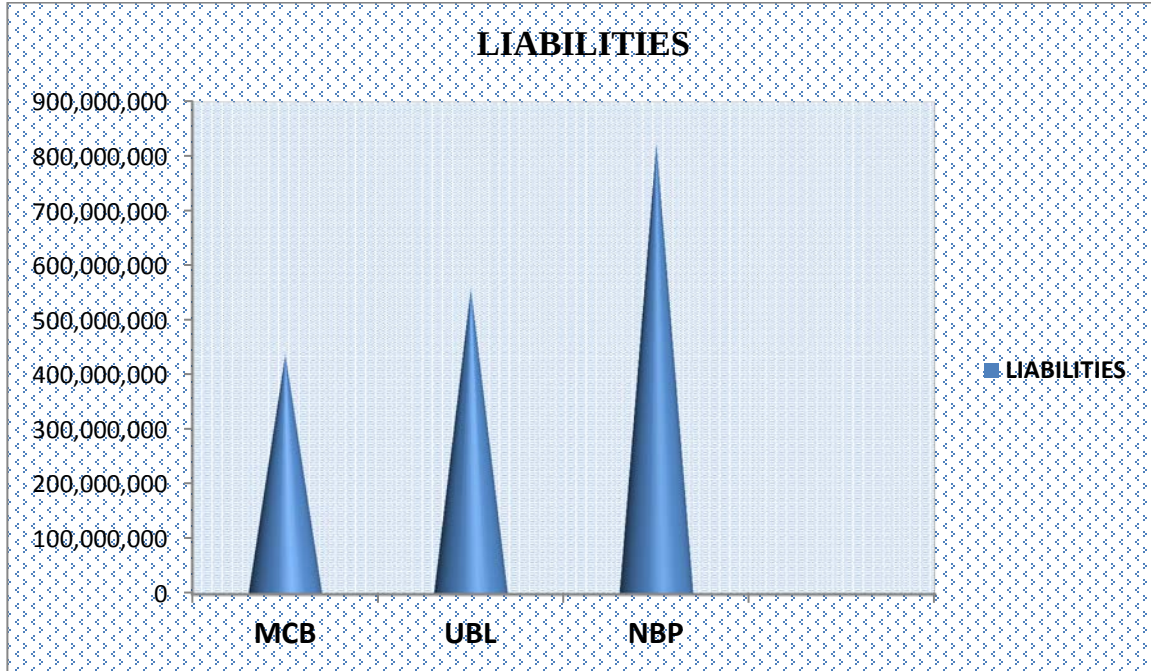
MCB Comparison with United Bank Limited & National Bank of Pakistan

Particulars	MCB	UBL	NBP
	----- (Rupees in '000) -----		
Deposits	367,604,711	492,036,103	726,464,825
Advances	253,249,407	354,091,713	475,243,431
Profit	15,495,297	9,192,687	18,211,846
Liabilities	439,484,714	558,807,328	824,676,384



GRAPHICAL REPRESENTATION







4.9 FUTURE PROSPECTS OF MCB

MCB team committed to taking the Bank to the next levels of success. Key features of multi-pronged plan are as follows:

- MCB wants to be viewed as the leader in transactional convenience. To get top market share, they will continue to invest in alternate channel payment capabilities and services as well as getting a larger share of transaction driven businesses like remittances, cash management, payroll and trade.
- Managements want to continue to invest in branches to make them more sales and service oriented. Through introduction of new sales and service model, strengthened transaction processing and leading financial products menu, aspire to achieve this ambition.
- Management core focus on mass, mid-market and corporate segments, continue down the path of further segmenting customer needs and developing focused customer propositions, particularly in Privilege, Islamic & SME.
- Not any organization can deliver without investing in its employees. In order to achieve growth targets, management have to further strengthen reserve of talent and leadership powered by a strong performance culture and training.
- Finally, for an organization, controls and efficiency is central to existence. Management's strategy to build stronger controls, develop a unit cost culture.

MCB's strengths in terms of its franchise, balance sheet and reputation are unparalleled. Entire team task is to ensure that continue to go from strength to strength. Bank's performance in 2009 is an attestation of the commitment & passion that the team brings to MCB and the strong support of the shareholders.



5. WEAKNESSES OF THE ORGANIZATION

- Income / expense ratio decreasing from last three years its alarming situation for a bank

2007 — 5.06

2008 — 4.10

2009 — 3.84

- The efficiency of banks can be measured through the use of the return-on-equity (ROE) ratio, which shows to what extent banks use reinvested earnings to produce future profits. MCB (ROE) decreasing consecutively from last three years.
- Profit before tax PBT/Total income ratio decreased from 63.30% to 55.91% in 2009.
- (ROA) return on average assets also decreased from 3.60% to 3.25% as compared to last year.
- (ROCE) return on capital employed decreased from 31.49% 2008 to 27.35% 2009.
- MCB poorly managing their operating expenses. Operating expenses before pension fund (PF) reversal rose by 7.8% to Rs. 14.9B from Rs. 13.8B in 2008. Due to rising inflationary pressures coupled with additional expenditure on insurance and security companies, the administrative expenses rose by only 8.4% to Rs. 14B in 2009.
- Borrowing from other financial institutions increasing from 22,664 to 44,662 in 2009.
- Cash dividend per share decreased from 11.50 (2008) to 11.00 (2009).



6. CONCLUSION

The banking system, as a whole, remains healthy despite the economy going through a period of economic difficulty. The banking sector absorbed the build-up of non-performing loans in the system while maintaining profitability and robust balance sheets. Much of the credit for this must go to the SBP for the policies it has pursued over the last decade to ensure that banks are adequately capitalized and adhere to prudent risk management.

The objectives were targeted towards customers, improved management policies, strong policy framework, improved governance structure, strategic investment initiatives and implementation of cost effective measure across bank. The group structure of the bank individually worked hard in achieving the milestones under continuous monitoring and supervision of the senior management and Board.

The bank displayed extraordinary results in both financial and non-financial terms. With the banking industry recovering at a steady pace since the 2007 crisis, MCB ensured availing all possible positive opportunities and delivered substantial profits ensuring sound asset growth. Financial year 2009 MCB stood up to the challenges and produced significant increases in major areas of its business while maintaining higher profitability, stronger asset base with corresponding increase in equity. The sector also made positive recoveries while heading towards its actual position prior to 2007 and 2008 financial market crisis.

MCB registered continuous positive performance, by delivering PBT of Rs. 23B and PAT of Rs. 15B, with a rise of 6% and 1% respectively, over 2008. Interest Income increased by 29% to Rs. 52B over Rs. 40B in 2008 owing to increased volume and yields. Income earned on advances, representing 70% of the total Interest Income, increased by 21% over Rs. 30B in 2008, to Rs. 36B in 2009. Interest Expense however, also simultaneously increased by 37%, owing mainly to the increased cost of deposits with interest expensed on deposits rising by 47% to Rs. 14B in 2009. Despite this, due to larger proportion of Interest Income,



the resultant Net Interest Margin (NIM) of Rs. 36B significantly rose by Rs. 7B, 26% rise over Rs. 28B last year

The Bank's outstanding performance resulted in improved efficiency and profitability ratios, stable market share, and attractive share price at the close of the year 2009 combined with a high Break-up Value (before surplus) of 88.37 per share.

Consequent to the average increase in balance sheet footing and equity of 12% and 16% respectively, return on assets and return on equity were reported at 3.25% and 27.35% respectively.

7. RECOMMENDATIONS

Following are some of the suggestions and recommendations that I want to give on the basis of shortfalls / weaknesses found in the bank.

- The target rate of return on assets (ROA) of commercial banks reflects the effectiveness and efficiency of the use of resources is the embodiment of its operating efficiency and management level of the important comprehensive index. Emphasis on return on assets, and continuously improve the return on assets and achieve an operating profit maximization should be the primary objective of Muslim commercial bank.
- A strong ROE is a solid signal that management is doing a good job of generating returns for shareholders' investments. Active capital management activities will provide better ROEs. Bank that manages larger reserves due to recent or future investment projects will stymie their ROEs. Another determinant of the ROE is the operating profit margin of banks. Recently, this tends to converge towards non-interest income as net interest margins tend to cause net interest income to be squeezed over time due to rising competition. Muslim Commercial Bank should



enable to raise their operating profit margins can smoothly enhance their ROEs. Loans with higher returns will produce better profit opportunities. Alternatively, may diversify earnings through transaction and recurring non-interest income activities. MCB's can expand more differentiated products, such as wealth management and insurance to improve their ROE position.

- Profit before tax ratio 55.91% in 2009 which is 7% lower than in that of last year mainly on account of higher administration cost and provision charge so MCB should control its interest expenses.
- The Bank's controlled budgeting and diligent monitoring on operating expenditure block. Effective monitoring at management level ensured managed increase in administrative charge within the approved budgetary limits.
- Borrowing from other financial institutions increasing from 22,664 in 2008 to 44,662 in 2009 and deposits decreasing the bank should develop strategy, employs the policy and emphasized to increase deposits reserves that enable to reduce borrowings.
- MCB's lead over rivals if they more emphasis on its aggressive investment strategy and capital strength, the investments may bolster MCB's.
- MCB Bank Ltd Pakistan's largest lender by market value should plans to expand overseas and add branches and employees at home even as economic growth slows after the worst floods in the nation's history. Increase staff as it expands trade financing, remittances management and mobile-banking operations.

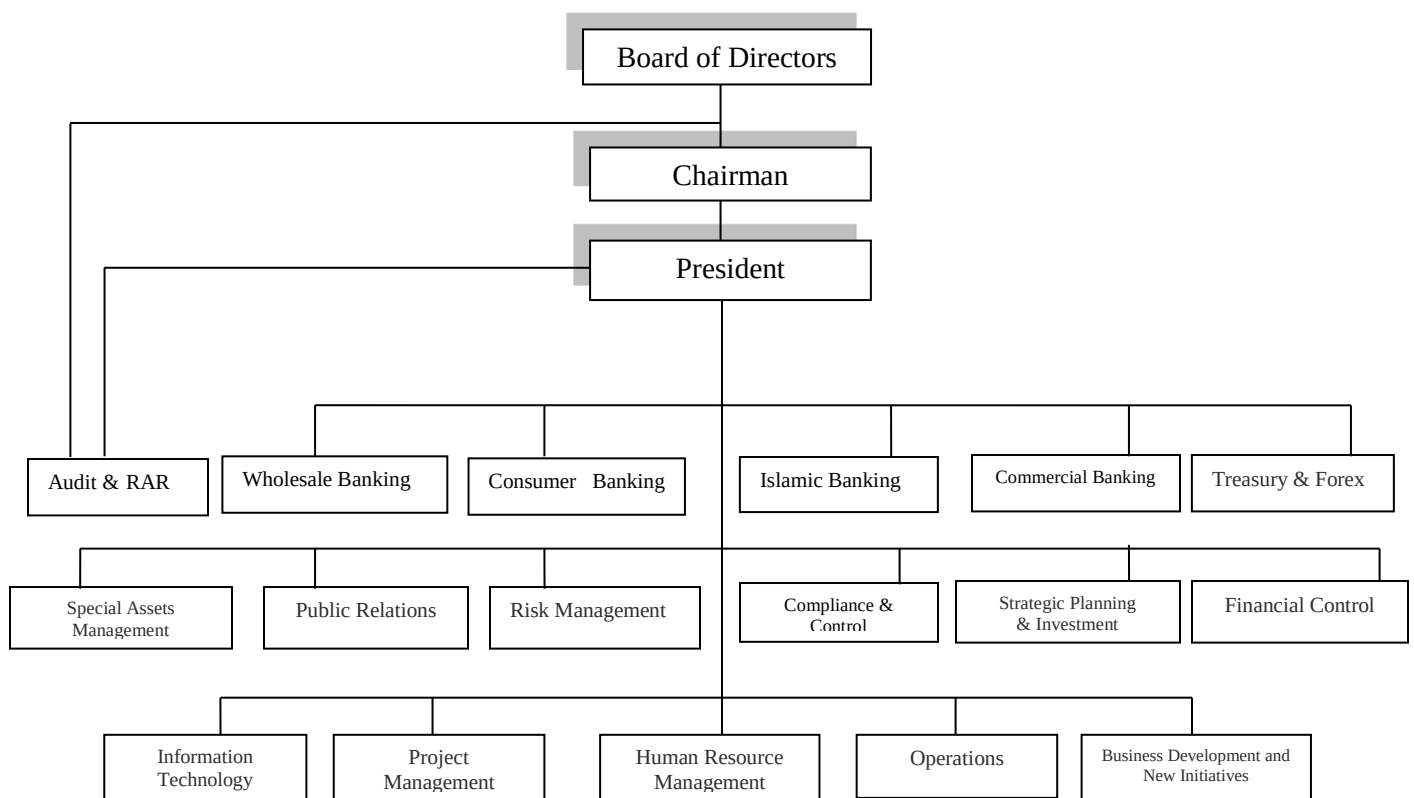


- Better managed expense-to-income ratios will then produce higher operating profit margins. Banks that use capital more efficiently will have better financial leverage and thus, higher ROEs. A higher financial leverage multiplier would show that banks are able to leverage on a smaller base of stakeholders funds to produce interest bearing assets that optimize earnings.
- Efficient cost-control procedures may limit the growth of operating expenses leading to higher operating profit margin. Banks poorly managed their operating expenses. Further improvement may be necessary to enhance ROE development.
- MCB Islamic Banking needs a research, which should be engaged in evaluating and interpreting the ways in which the bank can flourish more and more.
- In Agriculture loan Sector, MCB mainly serving in Punjab province. Agriculture loans facility should be provided to all other provinces of Pakistan as well.
- The bank should emphasis on the organization of effective training and development programs for its new as well as existing employees so that these are gradually updated regarding the recent developments in the field of banking.



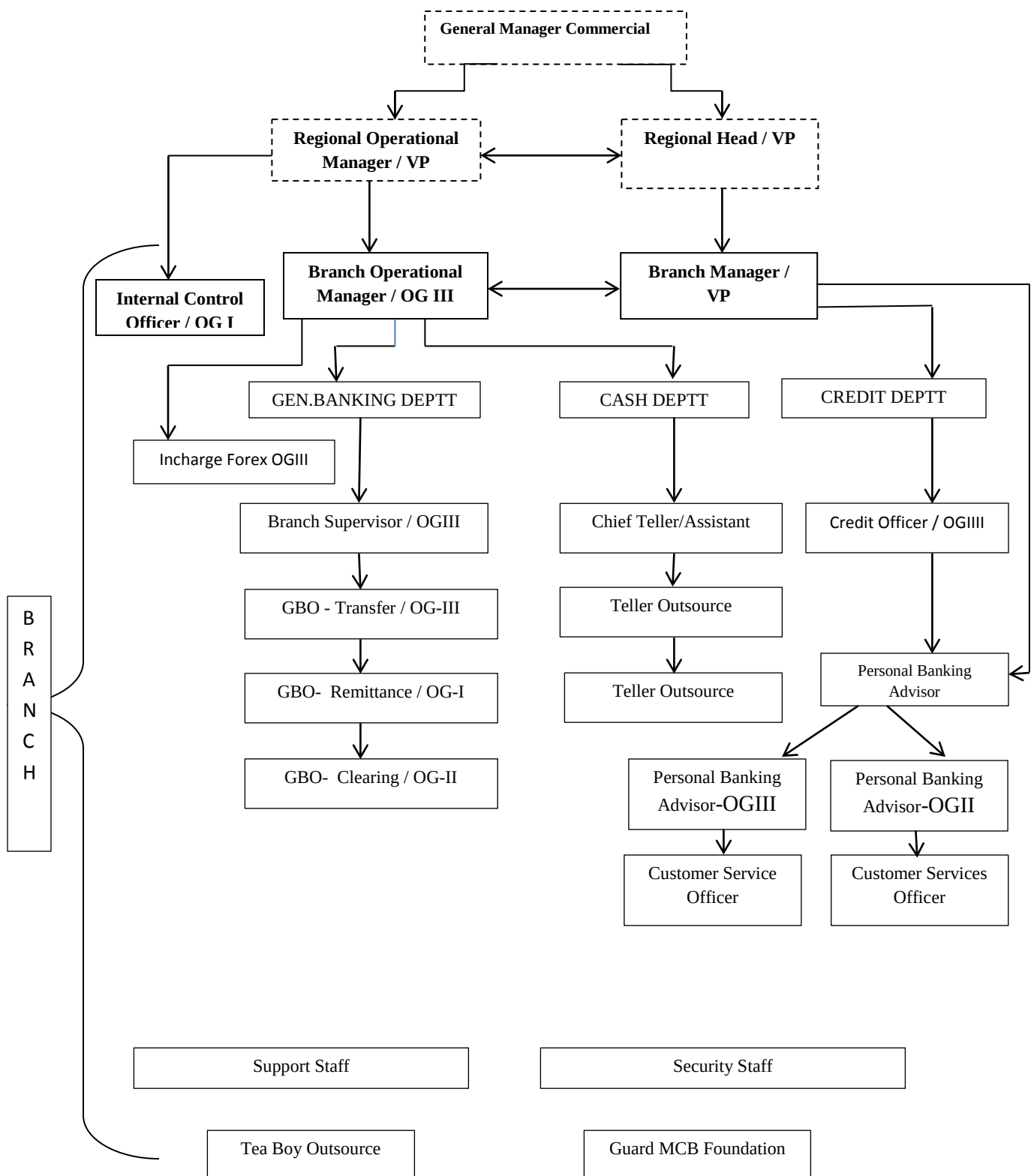
9. ANNEXES

ORGANIZATIONAL STRUCTURE



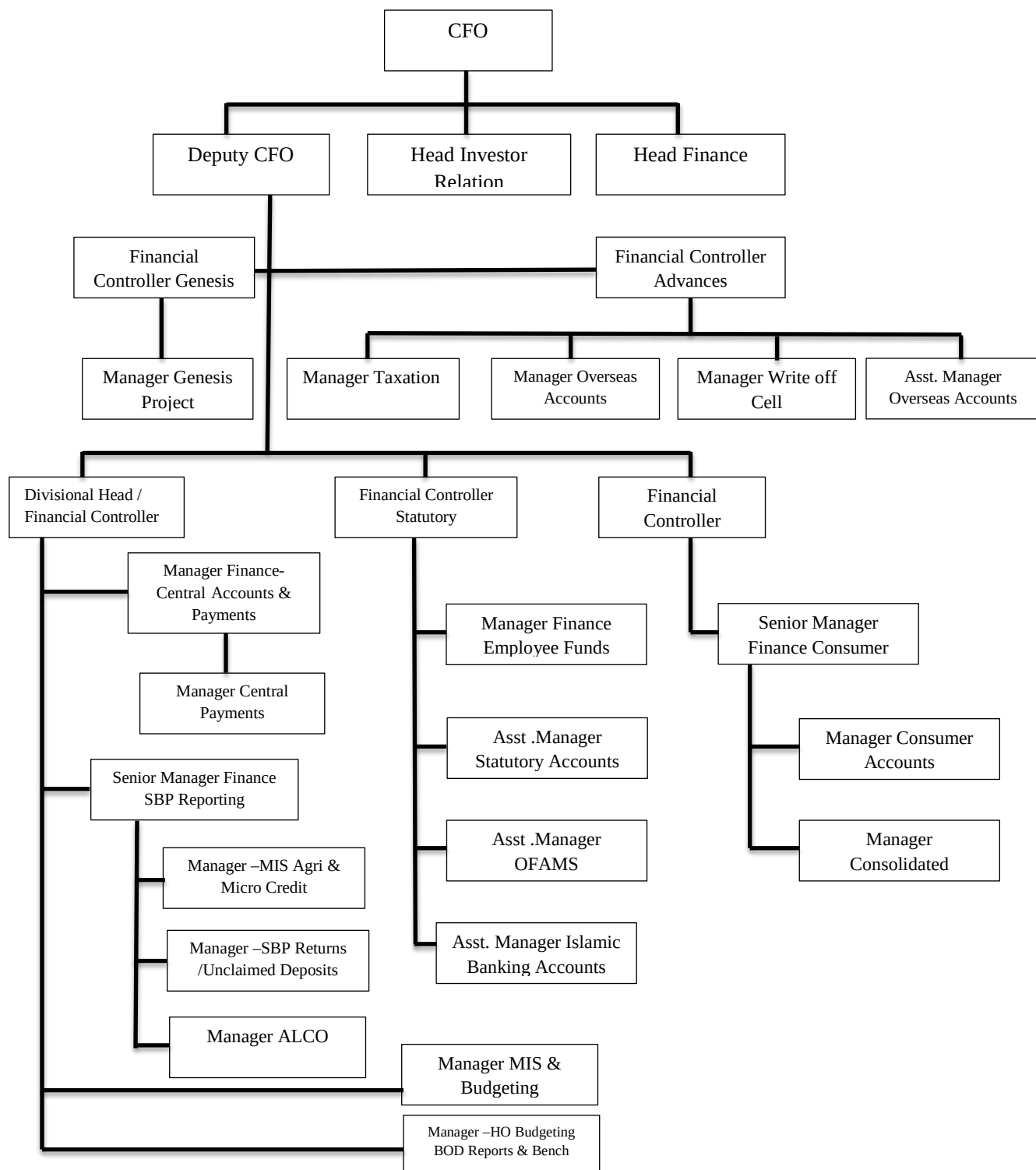


MANAGEMENT OF BRANCH





FINANCE DEPARTMENT CHART





10. REFERENCES

All of the references and sources from where the data gathered for this report are mentioned herewith for your kind concern.

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